

# The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, JUNE 29, 1933

## SEASONED

Born in a depression year, in 1896, the U. S. F. & G. has met the strain of wars, of panics, of industrial demoralization.

In its 36-year history, it has paid out, in claims and adjustment expenses, a total of more than \$308,000,000.00.

Built upon sound principles, rich in experience, it is a seasoned, enduring organization.

In 1933—in addition to its capital of \$2,000,000.00 — and surplus of more than \$7,000,000.00—the U. S. F. & G. is maintaining adequate reserves of over \$34,375,000.00 and voluntary contingent reserves of \$3,625,000.00.

## UNITED STATES FIDELITY AND GUARANTY COMPANY

*with which is affiliated*

**FIDELITY & GUARANTY FIRE CORP.**

HOME OFFICES



BALTIMORE, MD.



## *Is He In Good Health?*

On an application for life insurance our inspection report developed information which indicated that the applicant was afflicted with paralysis. The applicant's wife and his doctor both stoutly denied the existence of any illness or paralysis.



The original report was reinspected and confirmed.



The company in spite of pressure rejected the application.



Five months later the applicant died.



This case, from the files of The Hooper-Holmes Bureau, is not cited because of any exceptional features, but to demonstrate the important part an inspection report can play in sound insurance underwriting.



*The nation-wide facilities of The Hooper-Holmes Bureau are devoted to the compiling of Moral Hazard Inspection Reports for insurance underwriting, credit, commercial and employment purposes and Claim Reports. Address inquiries to 102 Maiden Lane, N. Y.*



**THE HOOPER-HOLMES BUREAU, Inc.**



# NORWICH UNION

**MAINTAINING**  
the traditions of more  
than a century of faithful  
and reliable service to agents  
and policyholders in every  
part of the world.

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**FIRE INSURANCE SOCIETY, LTD.**  
75 Maiden Lane, New York

*Hart Darlington, Manager*

**Eagle Fire Company**  
**of NEW YORK**

*Incorporated 1806*

75 Maiden Lane, New York

*Hart Darlington, President*

*The Oldest New York Insurance Company*

**NORWICH UNION**  
**INDEMNITY COMPANY**

75 Maiden Lane, New York

*Hart Darlington, Chairman of the Board*

*H. L. Callanan, President and General Manager*

*In NORWICH UNION there is strength*

# COMPANIES



# STRENGTH



**SECURITY**

**LOSS PAYING RECORD**

**PERMANENCE**

**SCOPE**

**SERVICE**



## FINANCIAL STATEMENT DECEMBER 31, 1932

	CAPITAL	ASSETS	LIABILITIES Less Contingency Reserve	Contingency Reserve	NET SURPLUS TO POLICYHOLDERS After deducting Contingency Reserve
American & Foreign Insurance Company	\$1,500,000	\$5,908,635	\$1,497,769	\$1,035,760	\$3,375,105
British & Foreign Marine Ins. Co., Ltd., U. S. Branch	200,000*	2,651,922	757,402	217,881	1,676,639
Capital Fire Ins. Co. of Calif. Not authorized in the State of New York	400,000	1,113,047	183,635	260,898	668,513
Eagle Indemnity Company	1,000,000	7,114,676	4,405,010	749,499	1,960,167
Federal Union Insurance Company	1,000,000	3,012,804	814,507	443,033	1,755,263
Globe Indemnity Company	2,500,000	33,119,429	22,483,397	4,876,771	5,759,261
The Liverpool & London & Globe Ins. Co. Ltd., U. S. Branch	400,000*	19,823,924	11,496,288	2,974,156	5,353,480
The Newark Fire Insurance Company	2,000,000	9,106,715	4,117,090	1,449,412	3,540,213
Queen Insurance Company of America	5,000,000	22,367,561	9,518,928	3,319,307	9,529,326
Royal Indemnity Company	2,500,000	27,033,497	18,820,853	3,200,651	5,011,994
Royal Insurance Company, Ltd., U. S. Branch	400,000*	23,010,280	11,675,390	2,198,230	9,136,660
Star Insurance Company of America	1,000,000	5,129,154	2,228,552	743,235	2,157,368
Thames & Mersey Marine Ins. Co., Ltd., U. S. Branch	200,000*	1,252,460	387,442	66,207	798,811

\*Statutory Deposit—New York Insurance Law, Section 27

# The ROYAL-LIVERPOOL GROUPS

ONE HUNDRED AND FIFTY WILLIAM STREET, NEW YORK CITY



# The National Underwriter

Thirty-Seventh Year—No. 26

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, JUNE 29, 1933

\$4.00 Per Year, 20 Cents a Copy

## Watchful Waiting Policy Is Favored

Place of Insurance in Industrial Recovery Movement Difficult to Determine

### CAN'T INCREASE FORCES

Expense Ratios Already High, With No Chance to Recoup Through Further Increases in Rates

NEW YORK, June 28.—Fire insurance executives have naturally been devoting considerable study of late to the provisions of the national recovery act, speculating as to how it might affect their business. While profoundly sympathetic with the effort of the administration to improve industrial conditions throughout the country, and willing to aid in such procedure to the fullest extent of their power, executives feel that instead of preparing a code of ethics, as a number of trade organizations have already done or are doing, the policy of fire underwriters should be one of "watchful waiting" until the situation clarifies and it is more definitely determined how fire insurance could take part in the general movement.

The administrators of the recovery act strongly urge the taking on of additional employees by industrial and merchandising concerns, and the raising of the standard of wages. They contend that thereby impetus will be afforded to increased buying by wage earners, this in turn increasing the operations of manufacturers and retailers. It is realized that such a program will mean an advance in the price of commodities, although it is emphasized by authorities that unreasonable increases will not be tolerated and that any such attempt will be vigorously assailed.

### Can't Well Increase Expense

With expense ratios in the fire business now running from 50 to 55 percent of the premium dollar, fire men do not see how they could add to this item, when the insuring public is complaining that the expense element of the business is already too high and demanding its reduction. Unlike other industries, the fire companies could not possibly hope to get a nationwide increase in rates to offset such additional expense as they might incur, for any suggestion to that end would raise such a storm of protest that the idea would be killed at its very inception. States with fairly profitable loss ratios would object strenuously to any attempt toward widespread rate increases. In numerous states rates are fixed by insurance departments or by commissions. In others charges are based on predicated combined loss and expense ratios for the state, and not on the national experience.

Still another factor, and an important one, that would have to be taken

## Several Schemes Are Used to Evade New Cargo Rules

SHIPPERS ARE GIVEN BONDS

Some Insurers Bring Indemnity Companies Into the Pictures—Others Are Canceling, Rewriting Open Policies

Marine people find that several companies are seeking to get special advantage for themselves by evading the intent of the new motor truck and cargo rules of the Inland Marine Underwriters Association which become effective July 1.

One plan is to have an indemnity company issue bonds to shippers guaranteeing that the truckmen will indemnify the shipper for any loss to cargo. These bonds seem to be issued by indemnity companies when their affiliated fire companies write a policy for the truckman. The theory is that the fire company then gives the indemnity company a release, so that the loss would fall on the fire company.

How much is being charged for these bonds cannot be determined easily. Issuance of such instruments could hardly be governed by the Inland Marine Underwriters Association, because, strictly speaking, they are casualty contracts.

### Cancel and Rewrite

Other companies are reported to be canceling open policies, which cover the shippers' interest and undertake to notify the shipper if the truckman's policy is canceled, and these open policies are then being rewritten for another year. Therefore, the time is being deferred when the new rules will apply.

One scheme for evading the spirit of the new rules has been stopped. That was to issue for \$1 to shippers a companion policy of the contract held by the truckman, the companion policy to be continued in force as long as the truckman's policy is in force.

Marine people have been besieged with correspondence from shippers. Many of the shippers have become resigned to the new rules, but a good many are belligerent. Some of these shippers tell the companies that they will not patronize a truckman who can't produce a policy under which the shipper will be kept advised as to the status of the policy. Apparently some of the companies are resorting to these various schemes to meet the demands of obdurate shippers, who are big buyers of insurance.

into account in any contemplated increase of expense by the stock offices, together with an offsetting advance in tariffs, would be the position of the mutual institutions. Any broad move taken by the stock companies that did not embrace similar procedure by the mutuals would seriously militate against the former, a condition company officials certainly would not accept.

Within the fire business are a number of strong regional as well as national organizations, the purpose of each being to induce uniformity of action among the member companies in so far as this may be done without violating

## Firmer Market for Fire Insurance Is Now Observed

READJUSTMENTS ON DECLINE

Process of Scaling Down Insurance to Value Seems to Have Run Its Course

Many of the larger agencies and brokers throughout the country observe that the process, which has been witnessed for the last three years, of scaling down insurance in keeping with lower values has slowed down appreciably. The business of rewriting for smaller amounts has been necessary to keep insurance in tune with declining values, but it has been a heartbreaking process for the producer. If present scattered reports from large agencies reflect a general condition, perhaps the scaling down has pretty well run its course and insurance is now adjusted to rock bottom values.

Undoubtedly many properties and operations are under insured, not only because of the necessary adjustment of insurance to value, but because of the inability of the assured to pay for more than a minimum of protection. The rising values of the last few weeks have not yet been reflected in an increase of insurance lines to any great extent, although here and there increased authorization on the good risks is observed. Insurance will lag several months behind such an increase.

Some of the large producers report that the market for use and occupancy insurance looks better. This is not because of an actual increase in profits, but because of anticipated increase and the desire of industrialists not to jeopardize anticipated profits by going without protection.

Cancellations have decreased measurably in recent weeks, thus relieving the business of detail as well as indicating a firmer market.

Some companies, through their special agents, are exerting considerable effort in an attempt to prevent cancellation of policies to bring coverage down to what may possibly be a mistaken idea of values. Companies do not want goods and property overinsured, but they do feel that many operators may be taking a false step in cutting down their insurance today, as they have been during the past three years. Special agents are advising producers to suggest to assureds that they wait another 30 days before reducing their coverage. By that time there is likely to be some definite indication of what direction the policy of inflation is taking and what its practical effect will be. Agents are advised to point out that the assured, in canceling today would suffer the short rate penalty. In another month, possibly, values might be sharply higher and the insurance that was dropped might have to be repurchased.

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either the letter or the spirit of state laws. As the intent of these bodies, broadly speaking, is similar to that of the national reconstruction act, the fire insurance fraternity feels that it cannot go further, unless and until the adminis-

## Appraisal Scheme Stirs Controversy

Question of Company Making Estimates for Assureds Debated in Illinois

### BIG ISSUE IN EAST, TOO

Practice of North America Is Challenged by Illinois Fire Underwriters Association at Annual Meeting

NEW YORK, June 28.—Word that the rendering of appraisal service by companies has stirred a controversy in Illinois is interesting to eastern executives, because this is a question of current importance here. There is a difference of opinion in managerial circles in the east as to the desirability of this procedure, which is being championed and used rather extensively by some companies. Some of those who are opposed to the practice favor the adoption of measures that would outlaw it.

Certain elements in the business claim that the making of appraisals or estimates by the companies with the implication that such estimates are binding in the event of loss, nullify the coinsurance clause. Those who give this appraisal service take issue with this contention. They say that if the estimates are properly made and insurance is carried on such a basis, it is doubtful if the argument could prevail that the coinsurance clause is thereby nullified. They claim that the assured is entitled to such service. They point out that many agents and brokers have competent engineers who do render the service for property owners who fear the workings of the coinsurance clause.

### Public Property

Proponents of the appraisal system also say that public property is rarely adequately served because of the wide distribution. Where this property is widely distributed, no one agent, they say, is justified in rendering such service.

Companies following the plan that have special departments for such work hold to the principle that this service must be rendered or the business will go into channels where coinsurance is not required and will leave agency channels.

The companies that give this appraisal or estimate service naturally expect compensation in the way of a greater proportion of the line. That seems to be the rub. Other companies on the line will not bind themselves by the estimate given by a competitor but they feel that the assured is likely to believe the estimate is more or less

(CONTINUED ON PAGE 27)

trators of the act in Washington point out in what way and to what degree more effective aid may be extended.

## Illinois Qualification Bill Is Defeated in Legislature

### PALMER'S PROGRAM SUCCEEDS

Legislative Plan of New Superintendent in the Main Is Adopted; Major Bills Passed

With the close of the Illinois assembly due Friday, a review of legislation shows that never in Illinois has there been such a mass of bills vitally affecting insurance. Among major measures to succeed is that providing for a separate department of insurance under a director. The bill is now before the governor for signature and will be signed.

Under the supervision of Superintendent Palmer an ambitious and constructive program of insurance legislation was sponsored and a majority of the bills had been advanced to the passage stage in the senate where their adoption was assured.

#### Qualification Bill Killed

The only real setback was defeat in the house this week of the Palmer's agency licensing bills, which had the support of insurance agents and companies following numerous changes made by the insurance advisory council representing virtually all interests. Main opposition came from the Illinois Farm Bureau Federation which is interested in a life company and has a strong lobby.

Representative G. A. Fitzgerald, Chicago, chairman house insurance committee, made a fine record in guiding the measures into the senate.

Secretary E. M. Ackerman of the Illinois Insurance Federation and the advisory council reports important insurance measures in the senate Tuesday ready for passage were:

#### Consider Several Measures

To revise system of publishing company annual statements, reducing fees from \$80 to \$30.

Two bills to reduce agents' and brokers' license fees when application is made after Dec. 1.

To amend insurance liquidation act to give the director of insurance power to appoint receivers for delinquent companies.

One of the most important measures brought to the passage stage would create a commission of three members of the house and two from the senate to assist and advise the insurance department in recodifying insurance laws. The plan is to be prepared to report to the assembly in 1935.

A motor vehicle drivers license bill was supported by insurance interests and reached third reading in the house after passing the senate, but downstate interests blocked its progress.

#### Oppose Certificate of Title

A bill providing for a certificate of title for all motor vehicles, designed to reduce automobile thefts was passed and signed by the governor. A movement was started by certain used car dealers to repeal the act and kill the appropriation, but this is expected not to succeed.

A large number of inimical measures were disposed of such as valued policy bills, hospital lien measures, bills making casualty companies codefendant in liability actions.

Bills passed Tuesday and sent to the governor for signature were: To permit only the director of trade and commerce to institute suits for accounting or for receiver against domestic companies; to require funds collected by the fire marshal in excess of cost of operation of his department to be placed in the general state revenue fund.

The International Mutual Fire of Chicago, which has confined its writings largely to industrial fire insurance, has been ordered dissolved by decree of the superior court at Chicago.

## Don Lewis Dead



DON C. LEWIS

PIERRE, S. D., June 28.—Don C. Lewis of this city, former insurance commissioner and who had been reappointed to take office July 1 but resigned, due to poor health, died at his home here this week from an incurable malady. Mr. Lewis for the last two years had been at times unable to carry on but subsequently seemed to rally and it seemed highly desirable to restore him to his old office as he was with the political party in power. He was the official host when the National Convention of Insurance Commissioners met at Rapid City, S. D., a few years ago. He was popular with the commissioners and with insurance people. Mr. Lewis was born Oct. 14, 1884, at Patchgrove, Wis. He was educated at the state normal school at the University of Minnesota. He became a local agent at Highmore, S. D., in 1918. He was appointed insurance commissioner in July, 1927.

### Seattle Blue Goose Meets

SEATTLE, WASH., June 28.—At the June meeting of the Seattle Blue Goose, a number of members of the British Columbia pond were guests. W. H. Maloy, most loyal gander of the Seattle pond, presided as toastmaster. Two grand nest officers, D. A. McKinley of Seattle, most loyal grand gander, and H. B. Leuty of Vancouver, grand keeper, addressed the meeting. Other speakers were John Wilson of Vancouver, E. W. Lowe, Seattle, and J. L.

## Agents, Fearing Extension of I. U. B. Coverage, Protest

### MISINFORMED, DUMONT SAYS

N. Y. Metropolitan Agents Excited by Report I. U. B. Cover May Be Applied to Buildings

NEW YORK, June 28.—The Association of Local Agents of the City of New York has adopted a resolution protesting what the memorial says is the contemplated extension of the I. U. B. coverage to include buildings and equipment in multiple location policies. The resolution states that such a provision would be detrimental to sound underwriting practices and principles and to the public interest because it would lead to demoralization and chaos in fire insurance rates.

There has been some demand on the part of large assureds for such coverage. At the recent insurance conference of the American Management Association in New York, members were requested to solicit the companies to provide such facilities. Local agents are concerned on the theory, if the I. U. B. rules were so liberalized, brokers who handle insurance on merchandise of organizations having country-wide warehouses, stores and manufacturing plants, would receive the building insurance as well.

On the authority of J. R. Dumont, manager of the I. U. B., no such proposal as that which excited the agents of the metropolitan district, has been considered and the agents will doubtless be officially notified to that effect following the gathering of the governing committee of the I. U. B. today, at which the resolutions of the agents will be submitted.

Suggestions have been made by company managers from time to time. Mr. Dumont said, that the reporting forms of the I. U. B. be amended to include stocks in manufacturing plants, but the idea of going beyond that has never been advanced.

Noble, Vancouver, Seattle defeated British Columbia in the golf tournament 28½ to 7½ and now has possession of the A. Z. Lelong memorial trophy, at least until the second leg of the tournament is played.

The Budlong, Friedrich & Kavanagh agency of Rochester, N. Y., has moved from the Lincoln Alliance Bank building to the East Side Savings Bank building. This agency recently purchased the business of Lester Fisher, recently deceased.

## Merritt Now Sole Head of America Fore on the Coast

### SUCCESSFUL IN HIS CAREER

Following Retirement of Edward Parrish as Vice President, His Associate Takes Charge

SAN FRANCISCO, June 28.—A. L. Merritt, vice-president of the American Fore organization on the coast, becomes sole head of the department due to the retirement of Edward Parrish, who also had the title of vice-president, the two being associated in the management. Mr. Merritt is a native Californian, having been born there Jan. 6, 1885. He was educated in the University of California. He entered a local agency at Spokane and in 1911 became surveyor of sprinkler risks for the Lumbermen's Indemnity Exchange. He then entered field work for the San Francisco general agency of MacDonald & Miles. Later he was connected with a local agency at Los Angeles. He became secretary of the Fidelity-Phenix and American Eagle in charge of the coast department in 1913. He was made secretary of all the America Fore groups in 1925.

## No Action Is Yet Taken on District of Columbia Post

WASHINGTON, D. C., June 28.—Some time is expected to elapse before a successor to H. L. Davis, District of Columbia superintendent of insurance, is named. The district government at present is in a very unsettled condition, the terms of the present commissioners having expired with no action taken toward the naming of their successors. It is possible that the heads of the district government will be named by the President following his return from his vacation next week. In addition to superintendent, there is also a vacancy in the position of deputy superintendent, of which in the past there have been two, which may not be filled immediately in the interest of economy.

It is known that there are several applicants for the position of superintendent, but so far the matter has been kept quiet and little has been divulged regarding the fight for the job.

As Congress is in recess, any appointments now made by the President will be subject to approval by the Senate next winter.

### San Francisco Pond Elects

SAN FRANCISCO, June 28.—W. E. Schoppe, chief of the National Automobile Theft Bureau, was advanced to most loyal gander of the San Francisco Blue Goose at the annual meeting. J. I. Thomas was elected supervisor; E. W. Bonstin, custodian; Stanley McPherson, guardian, and W. E. Griffith, keeper. John H. Schively and Harrison Houseworth were returned to the posts of welder and assistant welder respectively. R. L. Countryman was elected a member of the relief committee succeeding Mr. Griffith. George N. Cusick, retiring most loyal gander, and Charles Barsotti were elected delegates to the grandnest meeting with W. E. Lovell and H. V. Stockton as alternates.

### New Missouri Officials

KANSAS CITY, MO., June 28.—G. A. S. Robertson, for several years agent for the Sun Life in Kansas City and Marshall, has been named deputy superintendent of insurance under R. E. O'Malley of Kansas City, who will succeed J. B. Thompson as insurance superintendent July 1. Mr. O'Malley went to Jefferson City early this week to take over the duties of his new office.

## THE WEEK IN INSURANCE

Fire insurance executives favor policy of watchful waiting in regard to national recovery act. **Page 3**

Practice of companies making appraisals for assureds stirs bitter controversy in Illinois. **Page 3**

Several schemes are being used by marine companies to evade the new motor truck and cargo rules which become effective July 1. **Page 3**

New York metropolitan agents protest what they believe is the contemplated extension of I. U. B. coverage to buildings and equipment; J. R. Dumont denies that the I. U. B. intends to make such a change. **Page 4**

Illinois field groups hold annual meeting at Lake Delavan, Wis. **Page 5**

Georgia Association of Insurance Agents elects H. C. Arnall, Jr., president at annual convention. **Page 5**

Virginia agents name J. J. Izard president at annual meeting. **Page 5**

A. L. Merritt, vice-president of the America Fore companies on the Pacific Coast, has sole charge of the division following the retirement of Vice-President Edward Parrish. **Page 4**

Don C. Lewis, former South Dakota insurance commissioner, who was to take the office again July 1, is dead. **Page 4**

J. L. Adams elected president of Mississippi Association of Insurance Agents. **Page 23**

Casualty companies that relied on business of especially fine character naturally gravitating to them without efforts are disappointed in the results. **Page 21**

Compensation writing companies are taking full advantage of the situation today, demanding as a price for writing this business all other lines from brokers and assureds. **Page 22**

Efforts in several states to place silicosis under workmen's compensation act fail this year. **Page 22**

A change in the capital structure of the New Amsterdam Casualty is being effected. **Page 26**



## Arnall is Elected Georgia President

Recommend Adoption of National Insurance Code Under New Law

### TUPPER AND QUIN TALK

Ask Companies to Modify Deferred Loss Rule—Nixon Gives Presidential Report

#### NEW OFFICERS

President—H. C. Arnall, Jr., Newnan.  
First vice-president—J. W. Carswell, Savannah.  
Second vice-president—H. J. Haas, Atlanta.  
Secretary-treasurer—N. A. Way, Brunswick.

#### By SCOTT NIXON

The adoption of a national code of ethics for insurance agents as provided in the industrial control act was recommended by the Georgia Association of Insurance Agents at its annual convention at Albany, Ga. In regard to deferred loss payments, the Georgia agents urged the companies to renew payments of all unquestionable losses immediately on submission of proper proof. The inclusion of an automatic cancellation clause for nonpayment of premium and stricter enforcement of the agents' qualification law were also approved in the resolutions.

#### Agency Contract Endorsed

The association endorsed the principle of a uniform written company-agency contract. A fair and equitable contract, said the resolution, can be evolved only through exchange of ideas and conference between representatives of company organizations and representatives of agency organizations. "We specifically disapprove a so-called 'agency agreement' which has recently been circulated and our members are urged not to sign any agreement or contract which has not been formulated in accord with the method herein enunciated and/or which has not been approved by this association." The resolution held the following must be included in proper form and verbiage in any contract for the protection of agents: (1) Recognition of agent's ownership of expirations; (2) no overhead writing; (3) protection of local agents against the competition of non-resident brokers; (4) limitation of agency representation; (5) fair and equitable provisions as to the liability of the agent for return commissions on business canceled after termination of agency; (6) fair and equitable provisions as to the handling of business in the event of termination of the agency either by (a) representation of the company being resigned by the agent, with or without cause, or (b) withdrawal of the company from the agency, with or without cause.

#### Arnall Is Advanced

H. C. Arnall, Jr., of Newnan, was elected president to succeed Scott Nixon, Augusta, who has served for two years. Mr. Arnall has been secretary-treasurer.

In his annual report President Nixon told of the number of unfavorable bills introduced in the legislature, all of which were killed. The membership has not been increased with the exception of the 100 percent membership of the Atlanta board. The agency qualification law should be strengthened, said Mr. Nixon. He also urged sep-

(CONTINUED ON PAGE 27)

## Illinois Fire Underwriters Annual Meeting Tumultuous

B. F. PETERS MADE PRESIDENT

Acrimonious Debate on Balance Rule Cooperation—Ahlin Heads Fire Preventionists

### NEW OFFICERS ELECTED

ILLINOIS FIRE UNDERWRITERS ASSOCIATION

President—B. F. Peters, Queen.  
Vice-president—Grant C. Bissell, Aetna.  
Secretary—Miss E. E. Edwards.  
Executive Committee (new members)—R. S. Tucker, America Fore; F. D. Payne, National of Hartford; Herbert Hohenstein, Commercial Union, and Lawrence Braman, Security of New Haven.

ILLINOIS FIRE PREVENTION ASSOCIATION

President—A. T. Ahlin, Norwich Union.  
Vice-president—J. P. Fellows, Fireman's Fund.  
Secretary—C. G. Wonn, Northern Assurance.

#### By HOWARD J. BURRIDGE

The annual meeting of the Illinois Fire Underwriters Association, held at Delavan Lake, Wis., was lively and tumultuous. The first day's session was spirited enough, especially when the agency balance rule was being discussed, and it was revealed that only two-thirds of the member companies are cooperating in the enforcement of it. But the real oratorical fireworks were set off on the second day, during most of which President O. R. Rathslag, Fire Association, had difficulty in maintaining even reasonable order. Parliamentary snarls were frequent. No meeting in recent years has produced so many acrimonious debates.

#### Want Companies' Names Revealed

In his presidential address Mr. Rathslag dwelt on the delinquent agency balance situation. In the discussion that followed an effort was made to disclose the names of the companies that fail to observe the organization's balance rule. The records containing this information had been left at Chicago. It was suggested that they be telegraphed for, but Miss E. E. Edwards, secretary, said the data could not be put in the proper shape in so short a time. A motion was then passed providing that at the next meeting the secretary come prepared to read the names of the non-cooperating companies.

Trying to accomplish the desired result in another way, it was next moved that all field men cooperating with the agency balance rule stand up. Every field man in the room stood. Then a resolution was passed providing that the field men not cooperating stand up. None stood. Thus the meeting ended with the names of the non-cooperators unknown or at least unrevealed.

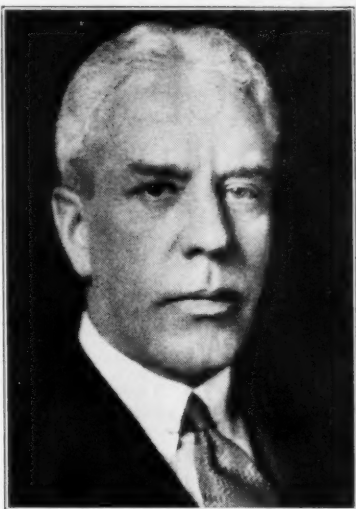
F. C. Bertiaux, Hanover, said the present balance plan puts all the emphasis on the collection of past due money, but sets up no arrangement for the future. He urged that a more comprehensive setup be made, one that will not only get the agent out of the red, but will keep him out.

#### Varying Opinions Presented

Various balance cases were cited and interpretations of the rules asked for. These produced several opinions, most of them at variance with each other. G. A. Fiendt, Philadelphia F. & M., was the author of a resolution providing that if a company suspends an agency the reason for the suspension be furnished to the other companies in the agency, but not to all of the rest of the members of the association. The practice of giving out information on suspensions to those not directly concerned was criticised by several speakers.

The heavy artillery of denunciation

## Heads National Board Executive Committee



B. M. CULVER

B. M. Culver, president of the America Fore group, was elected chairman of the executive committee of the National Board at its first meeting following the annual meeting of the organization.

was brought up when, first in general discussion and then by resolution, the procedure followed by a large company in the writing of school property at Granite City and Bethany, Ill., was severely criticised. The attack on the company came from every corner of the room.

A third controversy, nearly as vigorous and bristling as the others, came when the southern Illinois members tried to put through an amendment to the constitution providing for the election of two vice-presidents instead of one. In this way the southern Illinoisans hoped to provide competition for the vice-presidency, and to have a greater and more frequent voice in the organization's affairs.

#### Fire Prevention Meeting

J. G. McHale, New York Underwriters, led the fight for southern Illinois. His oral clashes with D. J. Harrigan, St. Paul F. & M., were full of electric vibrations and genuinely appreciated by the entire membership. When it was found that a motion to amend the constitution must be presented at one meeting and voted upon at the next, R. L. Wallace, America Fore, moved to adjourn. The motion was defeated. Mr. McHale then moved to suspend the rules so as to permit a vote on the proposed amendment. This proposal resulted in a parliamentary tangle which even a reading from Roberts' Rules of Order did not unravel. The motion was finally defeated, when the rules were suspended and it was voted on, the count being 41 to 26. The required two-thirds majority was lacking, but the vote was much closer than the northern Illinois contingent expected.

J. E. Mattimore, Phoenix of Hartford, reported as chairman of the relief fund. He said that an effort had been made to collect \$5 from each member, but that less than half of the members have paid, even though they are permitted to do so at the rate of \$1 a month if desired. A set of rules for the distribution of the relief fund will be drawn up.

A brief meeting of the Illinois Fire Prevention Association was held with President R. S. Tucker, America Fore, presiding. Mr. Tucker said the farm committee of the association has become active and efficient. He stated that Ottawa might be inspected the coming year. J. E. Mattimore, Phoenix

(CONTINUED ON LAST PAGE)

## Virginians Name Izard President

Endorse Maintaining Trust Funds for Reserves—Protest Increasing Deposits

### WILSON GIVES REPORT

G. G. Long Says Mandatory Balance Rule Holds No Terrors for Prompt Pay Agents

#### NEW OFFICERS ELECTED

President—James J. Izard, Roanoke.  
First vice-president—A. A. Applewhite, Newport News.  
Second vice-president—Miss Catherine C. Garrett, Leesburg (reelected).  
Secretary-treasurer—F. L. Blanton, Farmville (reelected).

James J. Izard, Roanoke, was elected president of the Virginia Association of Insurance Agents at its annual convention at Charlottesville. He succeeds W. O. Wilson, Richmond, who held the office for two years. Mr. Izard is a member of Charles Lunsford & Sons, Roanoke agency.

In the resolutions the Virginia association endorsed the position taken by the executive committee of the National association that companies should establish two trust funds for unearned premiums and loss reserves, to be segregated from capital and surplus and invested in major securities.

Protest was made against the increasing deposits demanded from stock compensation writing companies unless the mutual companies are made to comply with the same requirements. Another resolution instructed the incoming president to appoint a special committee to study means for strengthening the organization's position. The United States comptroller of the currency was commended for his recent order breaking up the concentration in Washington of the business of bonding bank receivers and conservators and spreading it to the localities where these officials are to act.

#### Want Change in Rule

Opposition of the agents to the operation of production branch offices was reiterated. The agency balance rule was approved but due to economic conditions the companies operating in southeastern territory were asked to make the new mandatory agency balance rule applicable to such balances on business written after June 1, instead of applying to balances on business written after March 1, 1933.

A resolution requesting the Virginia rating bureau to amend the ruling now in effect as to flat cancellation of policies "not taken" in order that such contracts may be approved for flat cancellation within 30 days from inception was referred to the incoming executive committee for consideration. This action was taken when several agents voiced the opinion that it would be unwise to alter the rule now in force which provides for flat cancellation on the 15th of the month following the month of inception.

#### Urge Rescinding Loss Rule

In his annual report President Wilson declared that no company should appoint an agent who is not a member of the association, adding that it will soon be a common practice. He urged rescinding the 60 day loss payment rule, as it tends to penalize the honest assured. Mr. Wilson favors the mandatory balance rule and said the bene-

(CONTINUED ON LAST PAGE)



# NEW HAMPSHIRE FIRE INSURANCE CO. MANCHESTER, N.H.



## SIXTY-THIRD ANNUAL STATEMENT

December 31, 1932

### ASSETS

United States Bonds.....	\$ 3,240,750.00
Canadian Bonds .....	263,800.00
Other Bonds and Stocks.....	10,811,847.01
Real Estate .....	362,750.00
Agents' Balances .....	716,346.91
Accounts Receivable .....	224,789.95
Cash in Banks and Office.....	468,479.78
	<b>\$16,088,763.65</b>

### LIABILITIES

Capital Stock .....	\$ 3,000,000.00
Unearned Premium Reserve.....	4,517,925.77
Reserve for Losses .....	539,303.21
Reserve for Taxes and other Liabilities.....	290,575.39
Reserve for Dividends declared and unpaid.....	120,000.00
Contingency Reserve .....	2,421,000.00
Surplus .....	5,199,959.28
	<b>\$16,088,763.65</b>

NOTE: Bonds and Stocks at Insurance Commissioners Convention Valuation.

### AFFILIATED COMPANY

**Granite State Fire Insurance Company**  
Portsmouth, N. H.

## Return to Underwriting and Collecting Is Urged

A return to underwriting and collecting was urged by B. P. Carter, of Gordon, Brown & Carter, Richmond general agents, at the Virginia Association of Insurance Agents annual meeting.

Agents voice objection to withholding payments on larger losses for 60 days, said Mr. Carter, but during March and April, when this plan became effective, the adjusted losses in seven south-eastern states declined 36 percent. He said agents should put forth their best efforts to cooperate with their companies in order to lighten the load which has been imposed upon both, bearing in mind that the very existence of the agents depends upon the solvency of their companies.

### Credit Extension Misdirected Kindness

In discussing collections, Mr. Carter said that the extension of credit to agents by the companies has been a misdirected kindness. A number of agents who are now out of business, he said, will agree that the companies which required them to pay their balances when due were their friends, and if all companies had forced them to live up to this requirement they would be in business today. By enforcing a prompt payment of balances, the companies are helping the agent to become a better business man, as he is forced to collect his premiums promptly and systematize his work.

## I. M. U. A. Investigation on Chicago Excess Commissions

Outcome of the investigation conducted by the Inland Marine Underwriters Association of alleged commission excesses and rule violations in Chicago over a considerable period, is awaited with great interest. R. T. Marshall of Albert Willcox & Co., New York, managers of the I. M. U. A., spent two weeks interviewing marine men and agencies, and asking to look over their books. It is not known how much information relative to specific violations he took back to New York, but in some offices he was told the I. M. U. A. has no jurisdiction.

The situation has been bad for some time, especially over the furriers' customers' coverage. The regular commission scale on inland marine is said to be 20 percent to class 1 agents and 15 percent to brokers. It has been a common practice of some offices, it is said, to pay an extra 5 percent, and commissions have gone as high as 25 percent.

### Farmers Union Mutual Case

DES MOINES, June 28.—Hearing in Polk county district court on an application for receiver for the Farmers Union Mutual of Des Moines, a fire mutual patronized largely by members of the Farmers Union, will not be held until Sept. 9. It is unlikely that a temporary receiver will be appointed, in the interval, but that the September hearing will concern itself principally with the matter of appointment of permanent receiver.

### Opens Danville Office

The Western Adjustment is opening an office at Danville, Ill., with A. J. Geis as manager. Mr. Geis received his early training in the Chicago office of the Western Adjustment and then at Terre Haute, Ind.

### Bookkeeper Wanted

Experienced male fire insurance bookkeeper wanted by western department of fire company in Chicago. State qualifications. Address X-49, The National Underwriter.

## Van Schaick Seeks to Levy Penalties Against Tokio

NEW YORK, June 28.—Attorney General Bennett has been asked by Superintendent Van Schaick to institute actions for penalties against the United States branch of the Tokio M. & F., Meiji Fire and their American running mate, the Standard of New York, "for wilful violation of their filed rates and rules in underwriting certain insurance policies."

The Meiji was further warned "that continuance of negligent underwriting practices would be deemed indicative of wilful intent to violate its rate filings in any subsequent investigation." The Standard is charged with having written 342 policies in violation, four being attributed to the Tokio and 12 to the Meiji.

The Standard had previously secured permission from the department to write automobile business at 15 percent below manual rates. Later this authority was cut to 10 percent, the department finally concluding that the experience of the company did not warrant even the lesser concession, a decision challenged by the company's management under its method of figuring.

### D. P. Barrett Bereaved

D. P. Barrett, Indiana state agent of the Niagara, has been receiving sympathy of his friends because of the death of his mother who died suddenly at the home of her daughter, Mrs. Wallace, in Chicago. She was 82 in March.

### Philadelphia Commission Parley

PHILADELPHIA, June 28.—A committee representing the Philadelphia Insurance Agents Association will meet with the Philadelphia territorial committee of the Eastern Underwriters Association the latter part of this week to discuss the request made by local agents for a commission scale similar to one drawn up by companies for the Philadelphia suburban territory.

Agents are asking for either flat 25 percent commission on all Philadelphia business or 30 percent in residential section and 20 percent from river to river. The present Philadelphia scale is 20 percent from the Delaware river to the Schuylkill and 25 elsewhere. The new suburban scale calls for 30 percent commission.

### Florists Association Licensed

The Florists' Hail Association of Sadle River, N. J., with executive offices at Edwardsville, Ill., has been licensed by the Illinois department. This association insures damage caused on account of the breakage of glass by hail. Its facilities are used largely by florists.

### Explains Va. Fleet Rates

A. J. Donohue, actuary of the National Automobile Underwriters Association, is in Richmond, explaining to a committee of the Virginia rating bureau the application of the association's new fleet rating program known as Formula "A," so that the committee in turn may present the matter to the state corporation commission.

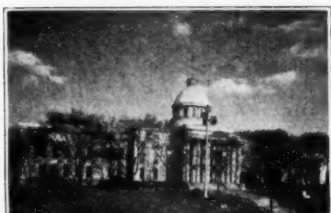
## New Commissioner for South Dakota Named

PIERRE, S. D., June 28.—Governor Berry has announced the appointment of W. J. Dawson of Rapid City as insurance commissioner for the two-year term beginning July 1. Don C. Lewis, former commissioner, had been named to the position, but on account of health condition resigned. Mr. Dawson succeeds C. R. Horswill. He was formerly connected with the fire marshal department.

# ALABAMA

**S**INCE the first Spanish explorations, over 400 years ago, Mobile Bay has appeared on maps of North America, but not until 1711 was Mobile's first permanent settlement founded by Baptiste, a Frenchman. Ceded to Britain in 1763 Mobile became a Spanish colony 17 years later and remained under Spanish rule until 1812, when America gained control. Seven years later Alabama became the ninth state of the Union.

No other state has any richer agricultural land than Alabama, with the northern fertile river valley lands, the central prairie lands, and the southern semi-tropical Black Belt. This land produces every grain and crop of the temperate as well as tropical zones. This is one of the few states in which lumbering is still an important industry.



● State Capitol, Montgomery ●  
Azalea Trail, Mobile ● River  
Steamers ● Map of Mobile

Although an agricultural state of first rank, Alabama is also important for manufacturing. Its textile mills are among the best. It is one of the leading states in amount of potential water power. 1,600 miles of navigable rivers within the state's boundary assure easy, cheap transportation. The state is rich in minerals.

**BIRMINGHAM**—the south's great steel center, founded 1871, is truly "The Industrial City of Dixie" and one of the most beautiful in America. In the heart of the world's richest mineral producing section, the three principal materials for flexing steel are found in large quantities within a "stone's throw of each other." This is true of no other location. Birmingham's Eighteenth Street has been fictionized by Octavus Roy Cohen.

**MOBILE**—222 years old, second largest Alabama city, is historically famous and renowned for its beauty. The Azalea Trail, a flower lined route through residential sections attracts thousands of visitors each spring to see the brilliant Azalea bushes as well as the famous old live oaks. Still standing is the building where Lafayette was entertained in 1825, and Barton Academy, the first public school in Alabama. The Port of Mobile, the state's only

direct seaport, is the nearest seaport to the center of cereal production of the country.

**MONTGOMERY**—capital and third largest city, called "The Heart of the South" is rich in historical interest of the "Old South." The capital of the Confederacy where Jefferson Davis was sworn in as the first and only president of the Southern Confederacy is the present beautiful capital of the state. Montgomery's textile mills, woodworking and other manufacturing concerns support more than 66,000 persons.

**FLORENCE**—"The city at Muscle Shoals" in the heart of the Tennessee River Valley, has been much in the limelight lately. Nearby at Muscle Shoals is Wilson Dam, world's largest concrete dam, almost a mile long, which impounds Lake Wilson, 16 miles long. Here also are the largest locks in the country.

The unquestioned financial strength, integrity, and friendliness of the Eureka-Security Fire & Marine has always appealed to Alabama agents. They have been loyal in placing their business with us and we have backed-up their sales arguments by meeting every claim fairly and equitably. The complete satisfaction of agent, policyholder and company in every transaction is only one of the many reasons why Alabama agents like to do business with this 69 year old company which writes all fire, casualty, surety and marine lines. Our General Agent listed here will be glad to answer inquiries from Alabama agents: **J. L. Davis, Inc., Farley Building, Birmingham.**

• For the use of photographs and information contained here acknowledgment is expressed to the Chambers of Commerce of Birmingham, Mobile, Montgomery, Florence.



## The Eureka-Security Fire and Marine Insurance Company

Established 1864

CINCINNATI, OHIO

LARGE ENOUGH  
To write lines liberally

SMALL ENOUGH  
To give individual attention

YOUNG ENOUGH  
To grow by giving service

OLD ENOUGH  
To have profited by experience





## How much are values down?

For insurance purposes today it is more necessary than ever, to know exactly how much values are down? Guesswork in judging values has never been satisfactory and is obsolete in the face of present conditions.

How much insurance is necessary to adequately protect property under today's value cannot be gauged by a mere perfunctory examination. It is essential to know exactly how much the property is worth.

This how much figure is accurately determined by a Lloyd-Thomas appraisal. It prevents under- or over-insurance. It gives proof-of-values after a loss. It affords "assured protection."

Let us point out the advantages to you of recommending a Lloyd-Thomas appraisal for your assureds property.

### What is an Appraisal?

It is a complete classified inventory of insurable property (except stock, merchandise and raw materials). Each item of property is valued at today's cost to replace new. The amount of accrued depreciation is determined and the sound insurable value is given.

### Its Advantages

1st — It discovers insurable values that have long been written off the books through unscientific depreciation. 2nd — It gives the agent, the assured, and the companies value facts of property. 3rd — It makes for adequate insurance protection, for in nearly every instance it calls for additional insurance.

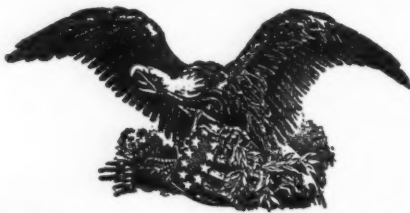
## The Lloyd-Thomas Co.

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DENVER



### PROGRESSIVE, YET CONSERVATIVE

WILLIAM H. KOOP,  
President  
ALEXANDER R. PHILLIPS,  
Vice-President

E. PHILLIP GUSTAFSON,  
Ass't Secretary

GERALD D. GREGORY,  
Vice-President and Secretary  
ALLEN W. FLEMING,  
Ass't Secretary

**American National Fire Insurance Company**  
Columbus, Ohio  
AN ASSET TO YOUR OFFICE

## NEWS OF FIELD MEN

### Minnesota Field Men Gather Nebraska Blue Goose Elects

Wiik Elected Underwriters Association President—Knight Heads Preventionists—Zoelzer Blue Goose

George B. Campbell Named Most Loyal Gander at Annual Meeting at Omaha

#### NEW OFFICERS ELECTED

##### MINNESOTA UNDERWRITERS' ASSOCIATION

President—G. W. Wiik, America Fore.  
Vice-president—H. B. Lucky, Aetna.  
Secretary-treasurer—A. E. Schierholtz, Hartford.

Executive committee—L. R. Fox, Hanover; David Bergwin, Springfield Fire & Marine; Herman Gross, North America.

##### MINNESOTA FIRE PREVENTION ASSOCIATION

President—W. U. Knight, State of Pennsylvania.

Vice-president—Simon Wherry, Home of New York.

Secretary-treasurer—W. W. Belford, Rhode Island.

#### BLUE GOOSE

Most Loyal Gander—Paul Zoelzer.  
Supervisor—Austin Fields.  
Custodian—G. F. Duerr.  
Guardian—G. D. Van Wagenen.  
Keeper—W. W. Belford.  
Wielder—J. E. Jackson.

ALEXANDRIA, MINN., June 28.—Minnesota fire field men held a two day outing here. John F. Stafford, western manager Sun, and W. J. Tippery, assistant western manager Aetna, spoke at the executive session of the Minnesota Underwriters Association, President R. L. Hanson presiding. Mr. Stafford explained policy forms, with particular reference to dwellings.

Mr. Hanson said delinquent agencies had been given careful attention during the past year. Much trouble had resulted from the bank moratorium, a number of banks still not having opened and most of these having insurance agencies. The balance situation, however, has materially improved lately and the outlook for the coming year is much brighter.

#### Secretary Belford Reports

At the Fire Prevention Association's meeting Thomas G. Linnell, Enck & Linnell, occupied the chair in the unavoidable absence of President M. W. White. The association made an enviable record, reported Secretary W. W. Belford. Minnesota was first of all states in compliances with recommendations.

Mr. Linnell called attention to excellent work accomplished by W. A. Yoder, chairman chamber of commerce committee. Mr. Yoder contacted every chamber in the state for the national fire waste prevention contest.

Reports at the Blue Goose meeting showed a membership of 294. L. L. Law, London Assurance, and Paul Enck, Enck & Linnell, were elected grand nest meeting delegates with George Blomgren, Security of Connecticut, as alternate.

Charles W. Cartwright, for some three decades past Minnesota state agent for the Northern of London and esteemed dean of field men in this territory, was made an honorary life member of the pond.

#### Contest Results

Contest results were awarded as follows: Fishing, for largest bass and largest string of six fish, first, L. L. Law; second, G. F. Duerr. Largest two days' catch, awarded to William Gordon and Paul Zoelzer. Putting green, first, Austin Fields; second, J. F. Stafford; third, Paul Enck; fourth, A. R. Lofgren. Rifle shoot, first, Claude Nugent. Golf, first, Fred Sabin, Jr.; second, T. Karlquist. Archery, first, George Blomgren; second, Ralph Rademacher.

OMAHA, June 28.—At the annual meeting of the Nebraska Blue Goose, G. B. Campbell, Commercial Union, Lincoln, was elected most loyal gander; A. H. Brown, Springfield, supervisor; Earl Crellin, America Fore, custodian; W. P. Blinn, Nebraska Inspection Bureau, guardian; Robert Glass, keeper, and Earl Neuberger, Hartford, wielder. The new officials were installed by L. H. Bridges, Home of New York, grand supervisor. C. P. Helliwell, Milwaukee, grand wielder, was also a guest.

Delegates to the grand nest are S. L. Gardner, retiring most loyal gander, and Mr. Bridges, with P. K. Walsh and H. W. Ahmanson, National American, as alternates. They were instructed to do all possible to bring the 1934 grand nest meeting to Omaha.

In the golf tournament M. A. Cissel, with low net, captured the loving cup of the Nebraska pond; second low was G. V. Lundmark; low gross, Paul Barr, and W. P. Blinn, second low gross. J. R. McLaughlin had high gross score.

At the dinner and dance in the evening Mr. Gardner was toastmaster.

### G. E. Wyatt Heads Oklahoma Field Force of Hartford

Stanley R. Bruce, special agent for the Hartford in Oklahoma, has resigned as head of the field force of the Hartford in that state, because of failing health. He is continuing with the company and will be assigned to special work from time to time. He is succeeded by George E. Wyatt, who has been in southern Oklahoma and has traveled in that state for the Hartford for about 10 years.

Mr. Bruce has been connected with the Hartford in Oklahoma and Texas about 22 years.

#### Honor Woods in Denver

DENVER, June 28.—Mountain field men are arranging a dinner here July 7 for R. G. Woods, special agent Automobile Protective & Information Bureau. Mr. Woods, who has been highly successful in breaking up auto theft rings, will leave the service of the bureau soon. Arrangements are in charge of R. H. Stebbins, president Mountain States General Agency.

#### Boykin Heads Alabama Pond

MONTGOMERY, ALA., June 28.—S. M. Boykin, Bankers Fire & Marine, Birmingham, was elected most loyal gander of the Alabama Blue Goose at the annual meeting here. He succeeds E. C. McGarrity, Alabama Rating & Inspection Bureau, who was chosen delegate to the grand nest, with C. B. Adlor, Continental, as alternate.

Other officers elected were: Supervisor, E. G. Darling, Aetna; custodian, P. A. DeVore, Birmingham Fire; guardian, P. H. Jones, Johnson, Overton & Co.; keeper, E. M. Phillips, adjuster; wielder, W. G. Ward, Fireman's Fund.

#### Wisconsin Blue Goose Elects

MILWAUKEE, June 28.—J. C. Qualmann, Queen, was elected most loyal gander of the Wisconsin Blue Goose at the annual meeting, succeeding H. C. Busack, Norwich Union. Other officers elected are: Supervisor, Paul McKown, St. Paul F. & M.; custodian, Paul Rehfeld, Western Adjustment; guardian, C.



P. Helliwell, general agent; wielder, H. W. Schwartz, Phoenix of Hartford; keeper, C. M. Garst, Fire Insurance Rating Bureau; delegates to grand nest, C. P. Helliwell and H. C. Busack.

The delegates were instructed to present to the grand nest the matter of recognizing the Women of the Blue Goose as an auxiliary order and urge action in that direction. Four new members were elected.

Owing to the unavoidable absence of several officers, the Wisconsin Fire Prevention Association annual meeting was postponed.

### Wisconsin Field Club Plans

MILWAUKEE, June 28.—Plans have been completed for the annual meeting and outing of the Wisconsin Fire Underwriters Association June 30-July 1 at Green Lake, Wis. Business sessions will be held on the mornings of both days, the afternoons being devoted to outdoor sports, and the annual dinner-dance to be held Friday evening. President E. O. Spink and other officers and committee chairman will report Friday morning. Other business, including the election of officers, will come up Saturday. President Spink's report will cover the agency balance situation and other activities of the association. Much discussion is expected on the balance rule.

### Central Kansas Club Elects

W. H. Moore, Western Adjustment, was reelected secretary-treasurer of the Central Kansas Field Men's Club at the last regular meeting of the year in Wichita. Meetings will be resumed in September.

## COMPANY NEWS

### Company to Enlarge Scope

#### National Mutual Church Will Extend Its Operations and Do a Limited Agency Business

Following the reinsurance of the Mutual Insurance Corporation of Chicago in the National Mutual Church of that city, the activities of the latter corporation have been considerably enlarged. The Mutual Insurance Corporation was organized in 1921 with H. P. Magill as president to insure Presbyterian church properties.

The National Mutual Church was organized originally to insure Methodist church properties and the property of clergymen or those identified in an official way with the church.

The Mutual Insurance Corporation had a broad charter which enabled it to insure the property of members of the church including automobiles. An agency department was established for Illinois and selected properties of various kinds not of the special hazard class were taken.

#### To Write Church Goers

The National Mutual Church has now expanded its scope so that it now insures not only church property of many denominations, property of clergymen or other church officials but also the property of church members including automobiles. The National Mutual Church therefore enters in the general field of insurance rather than the special. Mr. Magill is president and manager of the National Mutual Church. Heretofore it has been a non-agency company but it will have the agency department in Illinois taken over by the Mutual Insurance Corporation. The National Mutual Church has over \$1,000,000 assets, \$101,221 reinsurance reserve and \$872,652 surplus.

### Buffalo's Unusual Record

BUFFALO, June 28.—The management of the Buffalo is justly proud of

the fact that, despite the depression of the past three years, it did not find it necessary to discharge a single employee or reduce salaries and but slightly reduce its dividend scale. The assets are in a highly liquid state, the aggregate of the capital and the reinsurance reserve being invested in federal and state securities of the most approved character.

### Massey Wilson in Statement Denies Profit Made on Deal

Charges of mismanagement of affairs of the Fire Insurance Company of Chicago contained in the report by Master in Chancery Grossman in a report to Federal Judge Wilkerson in Chicago, were denied by Massey Wilson of St. Louis, president Insurance Investment Corporation, who was also chairman of the board of the fire company.

He agreed with the master on only one point, that the company should not be thrown into receivership. He held there is no basis for the suit for a receiver filed by Gilbert Mather and a group of minority stockholders of New York and Philadelphia. Wilson held the management should be commended for foresight and wisdom in making invest-

ments. He denied that the prices paid for insurance stocks were unreasonably high or the deals unfair or improper.

Wilson said that the fire company owns several million dollars worth of assets and owes practically nothing, except the expense of this litigation. The company is being operated in an economical and efficient manner. The office rent is \$75 a month, and there are two paid employees at minimum salaries. Under these circumstances, it is not conceivable that a receiver should be appointed, he said.

He expressed wonder that the master could have found that Wilson made profits out of selling insurance stocks to the Fire company. "I personally own none of the stock sold to the company, and received none of the money for which it was sold," Wilson said. "There is no evidence to the effect that I owned any of this stock. There could be none because it is not true. I was an officer in some of the corporations involved who did own stock, but whatever profits these corporations may have made, was right and proper, and no more than they were justly entitled to." He said during the three and one-half years he was an officer of the fire company he never received a dollar of salary, nor profited a dollar on any transaction the fire company was en-

gaged in. The same is true of the Insurance Investment Corporation, he said.

### Assents Totaling \$6,000,000 Are in the Hands of G. & R.

NEW YORK, June 28.—The Globe & Rutgers is reported to have in its hands assents to the reorganization plan in the amount of about \$6,000,000. What proportion this bears to the total claims against the company is difficult to determine, because much of the Globe & Rutgers business has not actually been canceled.

The campaign to get in assents to the program is still centering about the smaller creditors. Field men are rounding up policyholders whose claim for return premium may be only \$10 or so. The rate at which assents are being received is slowing down considerably because the field men are now out grubbing among the small fry.

**Opelousas Insurance Agency**, Opelousas, La., is now being operated by Archie Dunbar, J. A. Dunbar and E. H. Estorge. H. D. Larcade, Jr., formerly one of the principal officers of the agency, has become manager of the Parkerson & Jones agency there.

## A REINSURANCE TREATY

*May be just another contract—*

But it should be an agreement which assures a sound and enduring form of partnership between insurer and reinsurer, based upon a joint interest in the best obtainable underwriting results.

## INTER-OCEAN REINSURANCE CO.

CEDAR RAPIDS, IOWA

Reinsurance of Fire, Tornado and Automobile Lines

## AS SEEN FROM CHICAGO

### OPEN NEW AGENCY

Austin J. O'Malley and J. J. McKay, both of whom have been connected with the Pioneer Fire of Chicago for 10 years, have resigned to open an agency at 222 West Adams street. Mr. O'Malley has been state agent of the Pioneer and Mr. McKay has been underwriter. They have applied for class 1 membership in the Chicago Board and have taken on the representation of the Dixie, Columbia, and Michigan Fire & Marine.

### BIG DROP IN FIRE LOSSES

Fire losses in Cook county are appreciably down for the first half-year, in line with the national experience, according to C. J. Munn, manager Cook County Loss Adjustment Bureau. The fire companies' vigorous action in discouraging claims for many small cigarette burns was reflected in a very large cut in the loss from this cause in May. In May, 1932, cigarette claims cost the companies in Cook county over \$12,000, whereas in May, this year, the amount was only \$3,000. The trend was continued throughout June. Oddly enough, arson is said to be practically nonexistent in Chicago at present. The arson bureau of the Chicago branch of the National Board is working on only a few cases there, one being a large borderline case in which incendiarism seems apparent but there is great question whether the owners are culpable. The only other two cases under investigation were said to involve losses of around \$4,000 each. The arson squad in Chicago finds the situation unique in their experience. There has been undoubted moral hazard for several years,

but evidently it would not have paid owners to fire their properties as creditors would collect the insurance.

### NOMINATIONS ANNOUNCED

The nominating committee of the Chicago Board has recommended three candidates for election to the executive committee and one for the patrol committee to be elected at the quarterly meeting July 27.

The nominees for the executive committee are George R. Bowman of George Herrmann & Co., John F. Stafford, western manager of the Sun, and August Torpe, Jr., of the agency bearing his name.

James M. Newburger is nominated for membership on the patrol committee to fill out the unexpired term of the late Arch O. Burdick.

### REPORT ON WORLD FAIR

A joint report on the world fair has just been issued by the Chicago Board and National Board.

The report states that the construction of the major exposition buildings is such that during the expected life of the exposition the probability of wind damage is not high, excepting in the towers or pylons and in the buildings of the amusement group.

The water supply on the exposition grounds is declared to be normally sufficient at most points to supply the engines responding to first alarms, but the several features of unreliability are only slightly offset by the emergency connections to the Chicago system. A very few suitable locations from which engines could draft water from the lake or the lagoon remove the possibility of

appreciably augmenting the supply for fire fighting from this source. The fireboat would not be in action at the exposition grounds in less than 30 minutes and its effectiveness is further reduced by the limited area in which it could operate.

The fire department personnel is efficient and engines are of good type, but companies are deficient in number and insufficient for first alarm response, in addition to being so located that excessively long runs are necessary to the southern end of the ground. Reasonable standards of protection, both structurally and in fire fighting facilities, as set forth in regulations of the National Board and Chicago Board have not been attained, the report stated.

There are eight fire areas within the grounds which are separated by fairly effective fire breaks, formed by open spaces about 150 feet in width.

### SEDGWICK IN ISHPERING

George B. Sedgwick, secretary of the Great American in its western department, has taken his family to his old home in Ishpeming, Mich., for the summer and he expects to remain there for a few days before returning to his office.

### SEEKS TO RECOVER FROM BANK

I. H. Freise has filed a suit for an accounting and recovery of \$750,000 in the Cook county superior court against the Mid-City National Bank and its predecessor, the Mid-City Trust & Savings Bank, Chicago. Freise handled the insurance and real estate loan business of the bank for nine years on a salary. He now claims that the bank under its charter was not permitted to hold the profits of real estate loan and insurance operations and that these profits belong to Freise, inasmuch as he was the licensed agent.

The action was filed by Attorneys

Nordstrand & Riley, who have offices in the Insurance Exchange building, and Attorney H. C. Kinne.

There have been previous actions of this nature. In one case a notary public, who was connected with a Chicago bank, recovered fees, which he had taken in and turned over to the bank.

**Gilbert Kingan** of Hartford, United States manager of the London & Lancashire Fire, is in Chicago this week conferring with the western department officials.

**R. L. Mouk**, general agent at the United States head office of the North British & Mercantile, was in Chicago this week on business.

### Bennett's Stand Challenged

NEW YORK, June 28.—Sharp criticism of the action of Secretary W. H. Bennett, of the National Association of Insurance Agents in seeking to have incorporated in the recently enacted Glass-Steagall bill by Congress a provision prohibiting banks from conducting an insurance business as well, is made by Walter Lambeth, a member of the organization.

Addressing President C. L. Gandy Mr. Lambeth recalls that at the Milwaukee meeting of the National association it was agreed that the method of dealing with bank agencies was to be determined by state associations and local boards, each for itself, and in view of this condition he challenges the right of Secretary Bennett to speak for the membership as a whole. He asks whether the executive committee instructed Mr. Bennett to take the action complained of, and if they did not, have they since approved it.

Mr. Lambeth is manager of the insurance department of the American Trust Co., of Charlotte, N. C.

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\$1,000,000.00

**COMPLETE** facilities afforded every agent that represents this company.

81ST ANNUAL STATEMENT JANUARY 1, 1933			
ASSETS		LIABILITIES	
U. S. Government and Municipal Bonds.....	\$ 2,668,323	Unearned Premium Reserve.....	\$ 4,416,183
Public Utilities and Other Bonds.....	2,813,689	Losses in Process.....	773,809
Banks and Other Stocks.....	8,935,866	Taxes and Expenses.....	499,574
		Contingency Reserve.....	3,232,502
Total Bonds and Stocks.....	\$14,417,877	Capital.....	\$4,000,000
Accrued Interest, etc.....	134,923	Net Surplus.....	4,135,105
Cash and Premiums Receivable.....	2,504,373	Policyholders' Surplus.....	8,135,105
	<b>\$17,057,173</b>		<b>\$17,057,173</b>

\$4,000,000 CAPITAL JAN. 1, 1933

\$8,135,105 POLICYHOLDERS' SURPLUS

\$17,057,173 ASSETS

LOSSES PAID SINCE ORGANIZATION \$77,518,000

The HANOVER FIRE INSURANCE COMPANY of New York Charles W. Higley, Pres



## VIEWED FROM NEW YORK

By GEORGE A. WATSON

### BARBOUR BACK SOON

R. P. Barbour, United States manager of the Northern of London and the London & Scottish, who went abroad some weeks ago on a visit to the head offices, is due back in New York City July 3.

### SIRICH'S SON GETS DEGREE

J. B. Sirich, Jr., son of Assistant Manager J. B. Sirich of the Interstate Underwriters Board, New York City, received his M. A. from Harvard the past week. He will now continue his course at the university until he obtains his Ph. D., intending thereafter to seek a professorship in some educational institution.

### BURNING RATIO REDUCED

However pleasing the reduction in the burning ratio is to company officials, loss adjusters in and about New York City are complaining bitterly over the shrinkage of business, asserting that unless there is an increase in the number of fires, claim men will be forced to seek employment in the federal reforestation service. While a lull in fire losses is always looked for during the summer, old-time adjusters fail to recall when there was anything approaching the present decrease. They attribute it largely to the limited amount of insurance many property owners are now carrying through inability to meet premiums required for full coverage. In fact, it develops in numerous instances, adjusters state, that no insurance is carried at all.

### START FINANCING PLANS

In casting about for business openings, the idea of financing the payment of premium accounts seems to have ap-

pealed to a number of individuals in New York City of late. No less than five persons have embarked in the line within the past few weeks. A British concern, reputed to have developed an extended and profitable business in such connection at home, thought to duplicate its success on this side and sent over a representative, who was furnished a fully equipped office and complete literature outlining its operating plans. When these were submitted to various attorneys, the unanimous opinion was that the scheme was in violation of the laws and that sharp modifications in the plan would have to be adopted to make it conform to the statutes. Some of the offices seek to circumvent the law by imposing, in addition to the interest charge on assureds, a service charge on brokers.

### CIGARETTE SCORCH LOSSES

Gradually companies are formulating their policy as to payment of so-called cigarette scorchs. While there has been no mandatory rule issued by any company organization, there has been a general understanding of the fact that these claims are not meritorious or covered by the policy. They have increased in number and as the assured became educated to the fact that companies would pay them, demand was made. The companies acknowledge liability where there is ignition and any loss due to actual flame. Where there was no fire whatever but merely a scorch the companies do not feel that they should be called on to pay such losses. Local agents as a general rule are in full sympathy with this attitude but desire that all companies pursue a similar course. Adjusters are doing their part in getting the policyholders better acquainted with the procedure.

### Reconstruction Loans to Insurers in May Announced

WASHINGTON, June 28.—Seven loans aggregating \$1,671,519 were made by the Reconstruction Finance Corporation to insurance companies in May, according to the monthly report just filed with Congress.

In the case of two of the loans, \$385,196 to the Petersburg of Virginia and \$129,322 to the American Life of Detroit, none of the funds had been disbursed up to May 31.

Other loans were \$560,000 to the Peoria Life, Peoria, Ill.; \$525,000 to the American Central Life, Indianapolis; \$34,000 to the Carolina Life, Columbia, S. C.; \$25,000 to the Stuyvesant, New York, and \$13,000 to the National Assurance, Lincoln, Neb.

From May 16 to 31, loans previously authorized which were withdrawn or cancelled in part included \$465,725 by the International Reinsurance, \$6,550 by the Praetorians, Dallas, and \$1,680 by the Guaranty Life of Davenport.

### Missouri Appointments

Miss Catherine McGrath, who is with the "Insurance Review" of that city, has been appointed St. Louis deputy for the Missouri department and has just completed checking the securities deposited with the department by companies with home offices in St. Louis. Owen G. Jackson, St. Louis attorney, is acting as financial adviser for the department there.

The two appointments were made by Superintendent Thompson at the suggestion of R. E. O'Malley of Kansas City, who will soon succeed Mr. Thompson as head of the department.

The Miller-Schaumburg Agency of Kansas City has dissolved partnership. J. R. Miller will continue the business.

### C. L. Hecox, Former Well Known Field Man, Is Dead

Charles L. Hecox, former well known field man in Ohio and Michigan, who for many years traveled for the old American Fire of Philadelphia, died Monday at the home of his daughter, Mrs. W. B. Yardley, in Columbus, O. The funeral took place at Mr. Hecox's home at Greenville, Mich. Mr. Hecox later was connected with the old O. C. Kemp general agency of Chicago as executive special agent and later was Ohio state agent. For some time he was manager of the western department of the Ohio Farmers. Later he became an official of the Liberty Fire of St. Louis. He subsequently went to his old home in Greenville, Mich., and became an independent adjuster. Mr. Hecox was one of the best known field men in his day in the central west.

Mr. Hecox started as a local agent at Greenville, Mich., and later entered the same kind of work at Lansing. He was put on the road for the American of Philadelphia to assist State Agent N. B. Jones. In a few years he was made Ohio state agent. Mr. Hecox for seven years was treasurer of the Fire Underwriters Association of the Northwest. He regaled Blue Goose and other insurance social gatherings with his famous song "Peruna."

### Insurance Stock Analysis

"Standard Statistics" has issued an analysis of insurance stocks. Fire insurance shares are given first place as compared to casualty and life and "Standard Statistics" is bullish on Hartford Fire, North America and Phoenix of Hartford.

G. S. Haines of the local agency of Haines, Rankin & Co., Savannah, Ga., suffered from a heart attack in his office and died there.



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RENTS & RENTAL VALUE  
LEASEHOLD  
INLAND MARINE  
OCEAN MARINE

TOURIST FLOATER  
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JEWELRY  
ALL RISK PERSONAL FURS  
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### Liquidation of Insurance Companies

IN THE interest of creditors of nation-wide writing insurance companies forced to receiverships, it is earnestly hoped the NATIONAL CONVENTION OF INSURANCE COMMISSIONERS at its next meeting in New York City will adopt some uniform method for liquidation, in substitution for the wasteful and wholly ineffective practices now employed.

The need for drastic reform in that connection has been particularly realized in recent months through the failures of the UNION INDEMNITY of New Orleans, the INTERNATIONAL REINSURANCE of Los Angeles and others. The hardships imposed on creditors and those unfortunate bond and policyholders who were forced to seek other indemnity as a result of the plight of the institutions are many. The shortcomings of the present method of liquidation, as well as concrete suggestions as to how improvement might be brought about, were set forth by Superintendent VAN SCHAICK of New York in an address before the commissioners' convention at Chicago. So impressed were the state officials generally with his statements and opinions that his recommendations were referred to a committee for intensive study and later report.

The difficulties to be encountered in securing uniformity of practice in liquidation, by virtue of the differing statutes and court decisions of various states, is appreciated. Yet the faults in the methods now employed are so numerous and so glaring that it should not be difficult for the commissioners to arrive at a program that would permit the winding up of the affairs of a retiring institution with a minimum of time and expense.

Obviously, to obtain the maximum benefit to creditors and stockholders of an insolvent company, the handling of

its affairs should be entrusted to a centralized authority, so that uniformity of policy with respect to claim settlements and the disposal of assets would be employed. Through such procedures more or less definite advice could be given claimants as to when and to what extent they might count upon receiving payments, whereas under existing methods, with ancillary receivers named in a score or more states, each acting independently of the other, confusion and great waste is bound to ensue and invariably does.

If, instead of delegating the settling of claims to receivers in each state, the task were entrusted to employees of the defunct institution who were familiar with the technique of adjustments and had more or less complete knowledge of the history of the particular cases before them, a substantial saving both in time and money would unquestionably result.

Some years ago when one of the foreign casualty companies was compelled to cease operations in the United States, settlement of its entire outstanding claims was entrusted to a well equipped Hartford corporation. The work of liquidation, assigned to trained and thoroughly competent men, was concluded with a minimum of friction, without loss of time and to the entire satisfaction of all at interest. Whether this experience holds a suggestion to the commissioners or not is a question. At least it supplies concrete evidence of what can be accomplished in liquidating a company's affairs when undertaken by a central authority with complete power and employing competent and energetic people, motivated merely by a desire to conserve to the utmost the interests of creditors primarily and then of stockholders.

### Studying Successful Enterprises

WE are all inclined to study our main competitors. We see that they are active, alert and resourceful. They keep abreast with the procession. They are on the constant outlook for opportunities to improve their service and their products. Much can be gained by intelligent scrutiny of the

methods of successful enterprises. When we see a business that is progressing and successful we know that the organization is on its toes, that the management has a vision and the men behind the organization are leaders in their field and not followers.

## PERSONAL SIDE OF BUSINESS

Ralph Wade, deputy commissioner of Michigan, is now able to be at his desk much of the time, after having recovered from a mastoid operation in a Lansing hospital.

Insurance Director Lee Herdman of Nebraska has greatly improved physically the past week, but inability to rid himself of a highly nervous condition that is reflected in his mental condition, causes attending physicians to pronounce his condition still serious.

Clarence T. Hubbard, assistant secretary of the Automobile of Hartford, addressed the life insurance sales congress which was held in Concord, N. H. He advised life insurance agents, instead of attempting to be clever, to base their selling on certain fundamentals and repeat them intelligently and persistently in presenting life insurance.

S. J. Kennedy, president of the Buffalo, was in New Haven for several days last week attending the reunion of the Yale class of 1898, of which he was a member. The class bears the distinction of having produced two United States senators, a number of notable literary lights and important railway officials, in addition to several fire and casualty company executives.

E. W. Martin of Martin & Tilson, Texarkana, Ark., vice-president of the Arkansas Association of Insurance Agents, has been elected treasurer of Hendrix College, Conway, Ark.

H. R. Manchester of Cleveland is back after several weeks' trip abroad, visiting many foreign countries in company with his wife.

Tribute was paid to the late Young E. Allison, editor of the "Insurance Field," by the Henderson County Historical Society at Henderson, Ky., as a distinguished native son. William Fortune, Indianapolis historian, discussed the life of Mr. Allison and his literary career. Dr. J. C. Bay, Chicago, spoke on "Young E. Allison as a Man," paying eloquent tribute to his character and sterling qualities. "As a Man of Letters" was to have been discussed by Meredith Nicholson, Indianapolis, but he was unable to be present.

Daniel L. Coulbourn, Jr., a recent arrival in the home of the Virginia state agent for the National of Hartford, with Richmond headquarters, is due to follow in his dad's footsteps. Two well known insurance men will act as godfathers for him at the coming christening. R. M. Anderson, vice-president National of Hartford, and J. N. Jacobs, Virginia state agent Commercial Union. In addition to being the son of the National's popular state agent, the youngster is a nephew of C. B. Coulbourn, actuary Virginia department, and a great nephew of Colonel Joseph Button, former Virginia commissioner.

The Warner & Co. agency of Fargo, N. D., again this year staged a collection campaign in its office, which was followed by a golf tournament and dinner at which prizes were awarded.

The agency introduced this unusual scheme six years ago when outstanding premiums were found to be excessive. This year the campaign started June 1 and ended June 16. During 12½ working days the agency collected 57 percent of all outstanding premiums on the books June 1. There was collected 62 percent more money from June 1-16 this year than was collected last year, when the campaign covered June 1-21. The agency collected in full or received payments on 453 accounts.

During the year each member of the firm and broker is responsible for the

collection of the account which he produces or handles. On the first of each month a list is prepared of all his accounts divided: 1. All premiums for business in the month just closed. 2. All premiums remaining uncollected for the second previous month. 3. All premiums uncollected other than the above and termed "prior." Nine men in the office participated in the campaign this year. Credits were given for activity and for the percentage collected in each of the three above classes. The older the account, the larger the credit.

C. H. Warner, vice-president of the agency, won the collection campaign with 225 points. S. G. Mason, one of the brokers, was second. President Raymond D. Warner expresses the belief that agencies with a definite plan and the proper energy can collect their accounts. In the last five years losses of the Warner agency on uncollected premiums have not exceeded \$100 a year, he states.

H. A. Paulson, state agent for the North America, won the golf tournament.

Harry Hawkins, Jr., local agent at Mount Holly, N. J., for the past 25 years for the Home of New York, was presented with a silver service medal by S. A. Mehorter, New Jersey state agent.

H. D. Baker, Wichita local agent, who was overcome with heat in Illinois while motoring to Washington two weeks ago to accept the appointment as internal revenue collector for Kansas, is rapidly improving at his home and expects to return to his office shortly. As soon as his health permits, Mr. Baker will take over the collector's office.

G. A. Olson, 32, Albuquerque, N. M., branch manager of the Fire Companies Adjustment Bureau, died in a Denver hospital, where he was operated upon for removal of the appendix and ulcers of the stomach. Prior to the establishment of the adjustment bureau he was branch manager in Albuquerque for the former C. F. Wilson adjustment office and subsequently for the former Southwestern Adjustment Co.

W. C. Hodges, manager Kansas Inspection Bureau, was called to Corpus Christi, Tex., last week due to the serious condition of his father, past 90, who is in a hospital there.

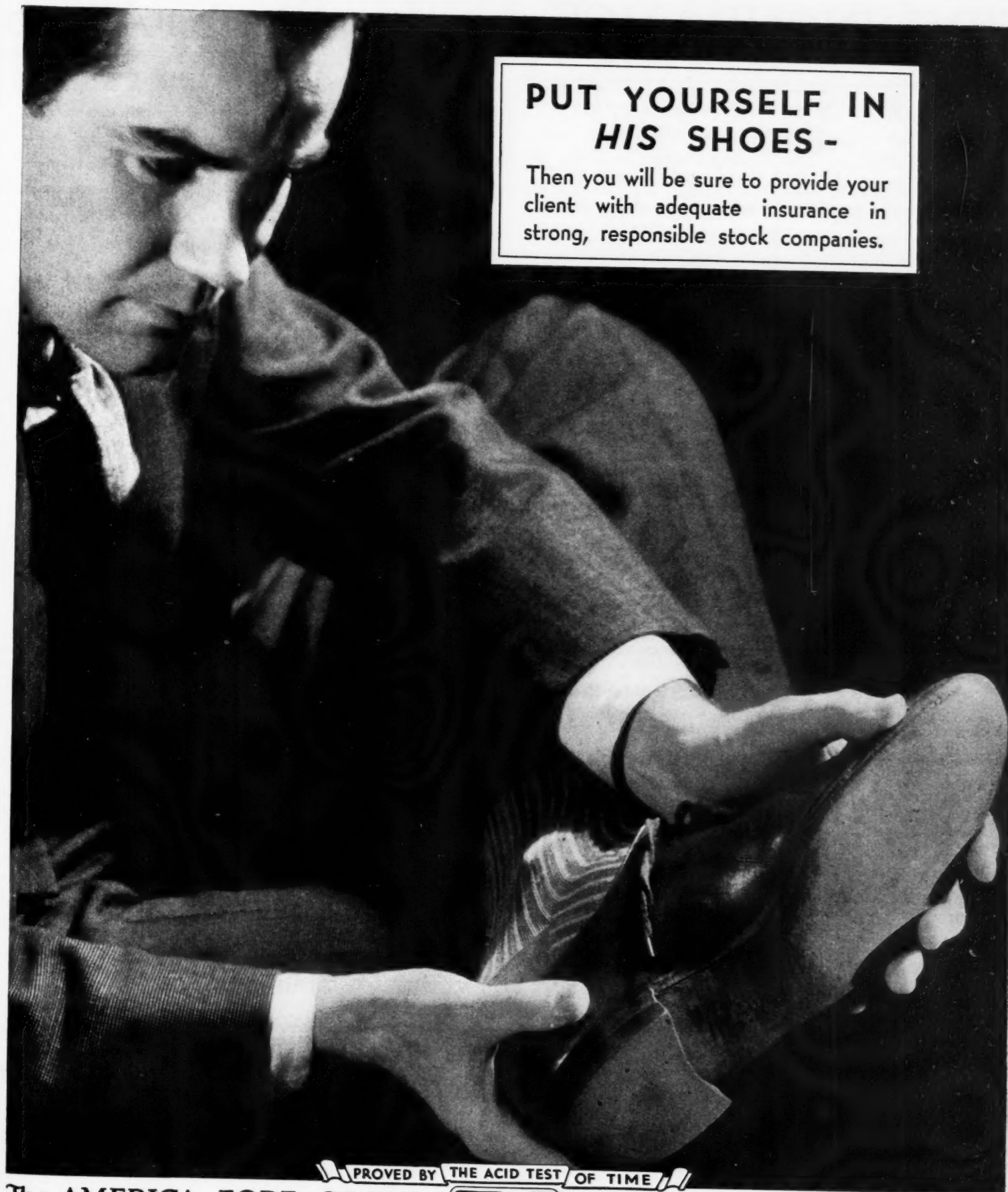
A crisis in the illness of Harold Smith, son of Clyde B. Smith, Lansing, Mich., former president National Association of Insurance Agents, called Mr. Smith to Cragmore, Colo., where the young man has been in a sanatorium for many months. Mrs. Smith was already on the way west when bad news came from the institution and Mr. Smith hurriedly followed her. Advice received from them early this week, however, were of a more hopeful tone, reporting young Mr. Smith in improved condition and reviving hope that he is definitely on the way to health.

Mark A. Skinner, prominent Denver local agent, has been appointed director of the Denver mint by President Roosevelt.

Edwin Parrish, who is retiring as Pacific Coast vice-president of the America Fore, was guest of honor at a dinner in San Francisco attended by the leading insurance managers on the coast. Arrangements were in charge of Joy Lichtenstein, manager Hartford Fire; A. T. Bailey, manager North British & Mercantile, and T. H. Anderson, manager Liverpool & London & Globe, all of whom are old-time associates of Mr. Parrish, having served with him on numerous committees of the Pacific Board.

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# FIRE INSURANCE NEWS BY STATES

## MIDDLE WESTERN STATES

### Fight Johnson-Higgins Suit

**Ohio Agents Oppose Effort to Secure Agent's License for Member of Organization in That State**

The Ohio Association of Insurance Agents at its annual meeting at Marion, O., is expected to take up the suit brought by the Federal Union to force the Ohio department to issue an agent's license to Elmer Jefferson, a member of a new Ohio partnership to be known as Johnson & Higgins. Mr. Jefferson is a resident of Ohio but the other partners are residents of other states and are understood to be principals of other Johnson & Higgins organizations.

#### History of Fight Reviewed

Ohio agents are actively organizing to fight the suit and when the subject comes up at the state association meeting the entire history of previous attempts by Johnson & Higgins and other brokers to get around the Ohio resident agent law and the foreign brokers' license law probably will be reviewed. These attempts cover several years, the most recent case prior to the present one being a mandamus suit filed in 1927 to force W. C. Safford, then superintendent of insurance, to issue agency licenses to Ohio corporations in the name of Johnson & Higgins and Marsh & McLennan. These cases were unanimously decided in favor of the state. Previous to this various attempts have been made by Johnson & Higgins to establish a local agency in Ohio, the superintendents, including Judge H. L. Conn, over a period of years refusing to permit non-residents to obtain agency licenses.

#### Non-Resident Brokers Licensed

Contrary to general understanding, a large number of non-resident brokers, including individuals connected with Johnson & Higgins, have been licensed as non-resident brokers in Ohio for several years. The present effort is being made in the hope that the Johnson & Higgins organization may place itself on a par with resident agents to avoid the restrictions which the law places around the operation of non-resident brokers.

Former Superintendent Younger refused to renew the licenses of the individuals associated with Johnson & Higgins in June, 1930, and previously the licenses of Johnson & Higgins were revoked for non-compliance with the statutes by Superintendent Tomlinson on July 16, 1920. His successor, Superintendent R. T. Crew, after taking office granted a hearing to this organization and sustained Judge Tomlinson's revocation action.

#### Goss in Indianapolis

Ira D. Goss, Chicago, manager farm department America Fore group, addressed 30 Indiana field men and local agents at a luncheon in Indianapolis Monday. Mr. Goss reviewed the development of farm insurance over the past 50 years, tracing conditions and their bearing on farm underwriting experience. He sounded a note of optimism, stating that there has been a distinct improvement in the farm insurance situation in the past four months. A decrease in farm losses has been noticeable with improving prices for farm products. If it had not been for excessive windstorm losses, Mr. Goss said, the first half of 1933 would have been regarded as an extremely good six months.

### Kansas Convention Dates Set

**State Association of Local Agents Will Hold Annual Meeting at Hutchinson Oct. 19-20**

The annual meeting of the Kansas Association of Insurance Agents will be held at Hutchinson Oct. 19-20. Charles Long, president Hutchinson Insurance Board, has appointed Bert Mitchner of the Mitchner Investment Co., past president of the Kansas association, head of the committee on arrangements. Wade Patton, secretary-treasurer of the Kansas association, is the local program chairman, to assist Frank T. Priest of Wichita, Kansas councillor and chairman of the program committee of the state association.

Mr. Patton announced that the program would include subjects of interest to company representatives and field men. All business will be confined to Oct. 19 with the exception of the meeting of the executive committee the evening preceding the convention proper, and Oct. 20 will be devoted to golf, with separate prizes for local agents and field men. The banquet Thursday night will be at the Bizzonti Hotel and business sessions at the Chamber of Commerce building.

Holmes Meade of the Meade Agency, Topeka, is president and Duane T. Stover of Harris, Burns & Co., Wichita, chairman of the executive committee of the Kansas association.

#### Governing Body at Rockford

The governing committee of the Western Underwriters Association is meeting at Rockford, Ill., Thursday of this week at the invitation of W. D. Williams, western manager of the Security of New Haven, who is president of the W. U. A. Robe Bird, western manager of the American of Newark, is assisting in the arrangements.

#### Cleveland Orders Modified

CLEVELAND, June 28.—Some of the Western Underwriters Association companies have receded somewhat from their recent instructions to agents here that all losses over \$100 must be referred to the Western Adjustment or the Underwriters Adjusting, these companies now permitting agents occasionally to use independent adjusters whose practices have never been questioned if the circumstances warrant.

#### Name New Inspection Head

A. W. Logan of Quenemo has been appointed by Governor Landon as director of the new department of inspections and registration created by the Kansas legislature to replace the state fire marshal, state oil inspector and state hotel commissioner effective July 1. According to present plans there will be 22 inspectors in the new department as compared with 87 in the three departments being replaced. Governor Landon has promised that the efficiency of the fire marshal's department will not be reduced under the consolidation.

#### Clears Up Cancellation Point

ST. PAUL, MINN., June 28.—Commissioner Brown has issued a ruling that clears up a point that has been puzzling Minnesota agents regarding the cancellation clause in policies. The Minnesota standard policy provided that the insured could cancel a policy within

60 days and demand repayment of a portion of the premium whether it had actually been paid or not. To straighten out this point the legislature a few years ago amended the laws governing this but the text of the new act was confusing. Recently the St. Paul exchange asked the insurance department for a ruling on the question. Under this ruling any insured who has not actually paid any part of the premium on a policy within the 60-day period shall not be entitled to return of any premium although the original standard policy made this obligatory upon the part of the insurance companies.

#### Two New Forms Used

The Cincinnati Fire Underwriters Association has prepared two new forms for the use of its members to replace the various forms now in use. Either form can be used on a building or contents of both; on a fire or tornado policy or both; on mercantile or manufacturing risks, and with or without coinsurance. One of the forms contain a broad gas permit and the other a limited gas permit.

These new forms will materially reduce the number of forms which an agent previously had to use.

#### New Cleveland Board Members

The Insurance Board of Cleveland has admitted to membership the partnership of W. G. Wilson & Associates, replacing the former individual membership of W. G. Wilson. The Wilson office, long one of the big casualty agencies in the middle west, is now extending its activities in the fire insurance field.

The D. C. Reed Insurance Agency has been admitted to Class I membership. Mr. Reed was formerly a member of the Hawley & Reed agency, which retired from the board several years ago.

#### Standard Builders Risk Form

CLEVELAND, June 28.—The forma committee of the Cleveland Board, after long consideration, has prepared a suggested standard form for covering builders' risks automatically and the form is now in the hands of the Ohio Audit Bureau for consideration of the companies. The form follows closely the rules in the Ohio rule book and represents an effort to standardize the automatic builders' risk coverage instead of leaving the coverage to the ingenuity of each individual agent.

#### Wolff to Speak in Ohio

Allan I. Wolff of Chicago, chairman executive committee National Association of Insurance Agents, is to be one of the speakers at the annual meeting of the Ohio Association of Insurance Agents at Marion Aug. 23. There is to be no formal program of addresses. The association may be incorporated and a new setup established, as a result of the resignation of W. H. Tomlinson, who served as secretary and counsel for many years. Mr. Tomlinson resigned recently because of ill health.

#### Topeka's Horde of Agents

The Topeka Board of Fire & Casualty Underwriters has completed a survey which discloses that 1,100 men are engaged in writing fire and casualty insurance there. Topeka has a population of 65,000.

Commenting on the situation, J. L. Wilkus, secretary of the board, says: "The depression and unemployment situation has swelled the army of insurance solicitors to such an alarming extent that there is danger of demoralizing the business. Such a rapid increase of

inexperienced people entering the business tends to increase unethical practices.

"Several years ago, an agent's qualification law was passed in Kansas to reduce unethical practices and place the insurance business on a higher plane, but this law is not being enforced.

"The Topeka board is asking the co-operation of all insurance companies doing business in Kansas and the insurance department to check licensing of inexperienced solicitors, to the end that the insuring public will be better served."

#### Plan Kansas City Conference

ST. LOUIS, June 28.—Carl S. Lawton, president Missouri Insurance Council; A. L. McCormack, president Missouri Association of Insurance Agents, and E. J. Mauntel, A. B. Lansing and Anthony Buford, representing the Missouri Insurance Council, will meet with the executive committee of the Insurance Agents Association of Kansas City the morning of June 28. At noon there will be a luncheon for local agents and claim men and in the afternoon the visitors will meet with the claim men.

#### Send Pamphlet to Churches

The pamphlet "Is Your Church a Fire Trap?" written by T. Alfred Fleming and published by the National Board, has been mailed to 150 Wichita churches by the fire prevention committee of the chamber of commerce.

#### Olmsted Gets Transcontinental

George H. Olmsted & Co. have been appointed sole agents in Cleveland for the Transcontinental, replacing the Lumbermen's of Philadelphia.

#### Middle West Notes

The H. L. Svenson agency, Elkader, Ia., has been sold to E. W. Carlsen.

Carl E. Stone, Nevada, Ia., has taken over the local agency for the Home, held by the late J. G. Dutton for many years.

The Capital Insurance Agency, Columbus, O., has been incorporated by A. W. Geisinger and R. C. Treadway.

## Southern States Local News

### Expect Further Oil Drilling

**C. T. Ingalls Reports Probable Extension of Well Zone Within Oklahoma City's Limits**

OKLAHOMA CITY, June 28.—The probability that further extension of the oil well drilling zone within the city limits will follow the recent change in attitude of the city council in permitting an increase in drilling area, is hinted by C. T. Ingalls, manager of the Oklahoma Inspection Bureau, in his report issued to fire companies.

The report states that "the oil inspection department of the city is no longer functioning in a satisfactory manner but inspection service in the oil district by the fire department has improved."

Since the report issued by Ingalls a year ago there have been no serious fires nor accidents and none within the city limits since oil development began. Outside the city several serious fires and accidents occurred during the early development of the field.

"There has been constant effort by a group demanding extension of the oil drilling or U-7 zone in the industrial and wholesale districts nearest the high



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value part of the city," the report says. "The former city council, and we believe, the majority of citizens at large, were opposed to extension and a citizens committee actively opposed all efforts of the extensionists. A newly elected city council, however, voted for the extension and attached an emergency clause, making the extension effective immediately. Two permits were granted for oil wells in the industrial area and there is apparently room for 12 to 15 additional wells if all available space is utilized."

The extension is being protested and it is possible that the state fire marshal or governor may take action to stop drilling. It is doubtful that drilling will be prevented although some delay is considered probable.

### Commission Seeks Remedy for Louisiana Loss Situation

NEW ORLEANS, June 28.—The Louisiana insurance commission has issued a special bulletin calling attention to the "alarming situation" confronting the fire insurance companies. On their general business the combined loss and expense ratio approved by the commission was 123.16 percent, while frame protected dwellings showed a 107 percent loss ratio before expenses, and unprotected dwellings, both brick and frame, show a loss ratio of 228 percent.

The commissioners say that they are receiving complaints from the public that the companies are restricting the writing of insurance in this state. Chairman Walmsley has suggested to the companies that they "endeavor to obtain an improvement by revision of the values placed on properties to meet the decreased valuations due to the depression." The companies, he said, have already done much in this direction but will renew their efforts. "All agreed," the commission concludes, "that prompt and decisive steps must be taken to remedy the situation, or the companies in large numbers would be forced to cease writing the classes which are unprofitable, with the result that the owners of properties of such classes would be unable to obtain insurance, irrespective of the rate to be placed upon the risks."

The commission is considering a new building class for determining insurance rates on dwellings which are being used partly for business purposes as a result of the depression. The new class would provide a rate somewhere between the rate charged on dwellings and that levied for business structures.

### Regional Meeting at Ardmore

ARDMORE, OKLA., June 28.—A round table discussion of local problems featured the regional meeting here of the Oklahoma Association of Insurers with President V. V. Sills, Ponca City, in charge. Most of those present took an active part in the discussions. President Sills gave an analysis of compensation insurance in Oklahoma and the state insurance fund recently instituted by the legislature.

E. W. Clarke, president Associated Fire & Casualty Underwriters of Oklahoma City, spoke on the vacancy permit question. Discussion on the stability of companies was led by R. H. Farnham of the Duncan Insurance Board.

J. B. Thompson, former deputy commissioner, and William Warren, secretary insurance board, were special guests.

### In Red 11% in Arkansas

LITTLE ROCK, June 28.—For the five years ended Dec. 31, 1932, fire companies operating in Arkansas had an aggregate underwriting loss of 11 percent, compared with the 5 percent underwriting profit permitted by the insurance code, a compilation by the insurance department shows. The past year some 20 companies withdrew from the state

### Georgia Speaker



W. E. HARRINGTON

W. E. Harrington of Atlanta, Ga., prominent local agent and former president National Association of Insurance Agents, was one of the leading speakers at the annual meeting of the Georgia association at Albany.

and others are expected to take similar action unless the situation is improved. It was indicated that companies are willing to continue Arkansas business if losses can be held to equal premium income, thus securing an even break.

For the five years Arkansas fire premiums totaled \$31,184,358, and losses \$34,398,910.

### Vollenweider in Mississippi

F. W. Vollenweider recently made his first visit to Mississippi since becoming associated with the general agency department of the Gregory-Hassenger agency in New Orleans and attended the meeting of the Mississippi Association of Insurance Agents at Hattiesburg.

### Launch Helena, Ark., Exchange

The Helena Insurance Exchange, Helena, Ark., has been organized, with Dewey Moore as president, D. T. Hargraves, Jr., vice-president, and Hugh Lile, secretary-treasurer.

### News of Pacific Coast States

#### Utah Men in Mid-Year Meet

Commissioner Smith Discusses Supervision Problems—Secretary Badger of Pacific Board Talks

OGDEN, UTAH, June 28.—"Ninety percent of the complaints that are received by my department since I assumed office are due to the agents concerned not knowing their business," said Commissioner E. A. Smith, Jr., at the annual mid-year gathering of the Utah Association of Insurance Agents. Commissioner Smith declared that it is his intention while in office to do his utmost to clean up the business, to free it from the menaces of the slicker and the illegitimate part-timers. He commented upon recent bids for insurance of public property in Utah and said in appearance there were 40 different rates. He urged that a bid be accompanied by a statement showing exactly what is covered with all the facts concerning coinsurance clauses, etc. The commissioner said that he is going to stop co-



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ercion in the placing of insurance business.

Commissioner Smith declared that his department is shorthanded and urged the agents to help get a larger appropriation from the legislature. He said the department was entitled to more help and the revenue from the insurance business warranted it.

President C. G. Gaskill of the Moon Agency, Ogden, presided. James Rogers, Salt Lake City, reported for the Utah committee.

H. F. Badger, secretary Pacific Board, discussed the national recovery act at some length. He said the fire insurance business was in a preferred position as regards organization. At a round-table discussion J. G. Midgely, Heber J. Grant & Company, Salt Lake City, said he agreed with Mr. Badger. He said that instead of the movement placing the government further in business it would have the opposite effect.

#### Asks for More Details

Mr. Badger asked Commissioner Smith for more details concerning the rates submitted in connection with the bids for public business. Mr. Smith explained that the failure to mention co-insurance clauses, etc., gave the appearance of a difference in rates when the rate was in fact the same. He said that the officials receiving these bids had been confused.

Local committee chairmen reported conditions in their districts. Robert Salmon reporting for Ogden said they were gaining some of the members they had

lost since the depression began. Mr. Midgely, for the Salt Lake group, said the organization has been more active lately.

Walter Cox, Salt Lake City, approved Commissioner Smith's talk. He placed the blame for a lot of the trouble experienced by the agents on the specials. "The specials are often responsible for the curb stone operator and his kind," he said. He felt, too, that pressure could very properly be brought to bear upon companies supporting these abuses.

President Gaskill expressed some sympathy with the specials, believing that they are not alone to blame. They are not always supported by the companies. Mr. Badger, too, interposed a good word for the specials, at the same time decrying the practice of men entering the business on a shoe string.

It was decided to increase the association's dues to a minimum of \$10 a year.

### Membership Drive Is Planned

#### California Agents Association Holds Regional Meetings to Survey Possibilities and Assign Quotas

SAN FRANCISCO, June 28.—The first two district meetings in a series of three planned by the California Association of Insurance Agents for the purpose of building membership were held this week. On Monday Frank Colridge, executive secretary, met with regional chairmen, local board officers and committeemen in the northern California district at Sacramento. E. R. Pickett, vice-president, presided. On Wednesday evening a similar meeting was held in Los Angeles with Mr. Colridge and W. H. Menn, president, in attendance. W. W. Robinson, San Bernardino, vice-president, presided. On June 30, under the chairmanship of C. T. Buckman, Visalia, also a state vice-president, a meeting will be held with central California representatives. Surveys of the membership possibilities in the various districts are being made at these meetings and local officers are making voluntary quotas which they plan to reach during the 30 days of the drive.

#### Martin Answers Westcott

SAN FRANCISCO, June 28.—J. H. Martin, assistant Pacific Coast manager Home of New York, spoke to the Insurance Buyers Association here on policy revisions. He discussed from the insurance companies' standpoint the paper recently presented by A. G. Westcott, the buyers' group president, in which Mr. Westcott stressed the need for various revisions in fire policy forms in the interest of greater uniformity.

#### Deplores Employee Competition

SAN FRANCISCO, June 28.—Pointing out that the practice of company office employees soliciting insurance and receiving commissions thereon is becoming more prevalent, R. V. Miller, president Oakland Association of Insurance Agents, has addressed all fire and casualty companies operating in this territory with the request that they address the association, stating their attitude and the degree of cooperation which may be expected in stamping out the practice.

In his communication Mr. Miller points out that employees should realize their positions are made possible by the

### Tognazzini to Be Named Commissioner by Rolph

SAN FRANCISCO, June 28.—It has been definitely learned that Governor Rolph plans to present the name of Roland Tognazzini to the state senate at the session commencing July 17 for confirmation as insurance commissioner succeeding E. F. Mitchell. Governor Rolph indicated his desire to appoint Mr. Tognazzini at the previous session of the legislature but the name was not presented as it appeared that the necessary confirmation would not be forthcoming. Current gossip has it that this opposition to Mr. Tognazzini, attorney with the building and loan commission of the state, still exists, and it is understood that if the governor cannot get confirmation, he will appoint D. H. Cannon of southern California, former deputy United States attorney-general.

volume of business produced by agents and brokers. "Competition," he says, "from illegitimate sources has been and is now, severe enough without having added to it the needless competition of salaried employees."

#### Plan Los Angeles Stag Outing

The July meeting of the Insurance Exchange of Los Angeles will be a stag affair at Uplifter's Grove in Santa Monica Canyon, near Santa Monica. Brokers, special agents, company men and the staff of District C of the Pacific Board will be invited, in addition to members of the exchange.

#### A. W. Pollard in Chicago

A. W. Pollard, lawyer and local agent of Deming, N. M., has been in Chicago visiting western department headquarters of his companies, and attending the world fair. He plans to visit his old home in Portage, Wis., before going back to New Mexico.

#### Pacific Coast Notes

**Horace De Long**, 73, prominent Grand Junction, Colo., local agent, died recently.

**W. J. Gardner**, retiring associate California manager of the Commercial-Union Ocean group, is celebrating the birth of W. J. Gardner, Jr.

#### Virginia Deviations Authorized

The General Exchange has been authorized by the Virginia corporation commission to file deviations from automobile fire and theft schedules in that state.

#### Pennsylvania Mutuals Elect

Wilmer Crow of Harrisburg was elected president of the Pennsylvania State Association of Mutual Fire Insurance Companies at the annual meeting. The first vice-president is W. W. Dodson, Harrisburg; second vice-president, F. J. Varcoc, Homestead; third vice-president, W. Dambly, Skipjack, and secretary, Guy C. Eaby, Lancaster.

#### N. J. Fire Losses Decrease

NEWARK, June 28.—The estimated fire loss in New Jersey for the first half of 1933 is approximately \$3,496,000 against \$3,923,000 for the same period last year, a decrease of more than \$425,000.

There were about 150 dwelling fires, many of which resulted in heavy losses. Arson fires in New Jersey have been on the decline for several months.

#### A. B. Gile Is Winner

A. B. Gile of Hanover, N. H., was this week's winner of admission tickets to the world fair, his application for reservations for the annual meeting of the National Association of Insurance Agents being the first received on Monday.

THE Northwestern is a strong, dependable company writing practically every known form of insurance on property. Northwestern agents get real sales help right when they need it most.



## NORTHWESTERN

Fire & Marine Insurance Company

John H. Griffin, President  
 MINNEAPOLIS, MINNESOTA

# NORTHERN ASSURANCE CO. LTD. OF LONDON

A PROGRESSIVE COMPANY FOR PROGRESSIVE AGENTS

CHICAGO

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# REINSURANCE

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DEFINITE RESISTANCE

THROUGH STRESS

DEFINITE ASSISTANCE

THROUGH THE UP-SWING

OUR DEFINITE SERVICE

TO CASUALTY COMPANIES

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NEW YORK  
CHICAGO  
LOS ANGELES

## EMPLOYERS REINSURANCE CORPORATION

E. G. TRIMBLE, President



# The National Underwriter

June 29, 1933

CASUALTY AND SURETY SECTION

Page Twenty-one

## Open to Reforms on Compensation

Company Men Willing to Consider All Proposals to Check Loss

### ATTITUDE IS CHANGED

Idea of Participating Not New but Never Openly Discussed Until Recently

NEW YORK, June 28.—In view of the millions lost on workmen's compensation underwriting in recent years, company officials are open minded to suggested changes, however radical these might once have been deemed. W. W. Greene, vice-president General Reinsurance, in an address before the Casualty Actuarial Society, advanced the idea the issuance of participating policies by stock companies. The idea is by no means a new one, some of the best minds in the casualty business having held a like opinion for a long time, although to have advanced it in open conference would have been deemed high treason. A former manager of the National Bureau declared a number of years ago that if stock companies were to write workmen's compensation risks upon a basis that would at least afford them an even break, it would have to be through the granting of participating policies, for in no other way could the large and generally desirable risks be retained upon their books. As evidencing the managerial attitude at the time, the bureau officer in question was severely taken to task for his temerity in telling practical executives how to conduct their affairs. The heavy loss drain of the business in the intervening years has wrought a marked change in the managerial attitude, which is now ready to concede there might be merit in the participating proposition.

### Was Considered in 1931

When the bureau members prepared a new program for handling compensation business in 1931, embracing a revision of rates, a scaling of commissions and other expense reducing factors, which it was felt would effectively meet the insistent call for improvement in the loss record, the idea of granting participating contracts was not included, though given very favorable consideration. Had the program as determined upon not been discarded because of the opposition of the agency force and that of several state departments, it is quite possible the participating contract would have been adopted later.

Whether compensation insurance can ever be conducted along lines that will prove profitable to the carriers is a question, the strong control over rating procedure by the great majority of the states and the liberalizing of compensable disability laws being constant factors that make for high costs which

(CONTINUED ON PAGE 23)

## Fail to Get Influx of Desirable New Business

Casualty and surety companies have been studying their experience the last year or so especially in view of the retirement of some weaker institutions. It was the general theory among casualty offices that the surviving institutions, and especially those of real stability, would find a genuine influx of business moving to them automatically. Home offices depended on this turn of the tide. The feeling existed that agents would gravitate toward the best companies and hence the latter would profit by securing much new business of a most desirable class.

### Type of Failed Companies

The companies that failed were for the most part plungers, payers of excess commission, rate cutters or those that gave liberal perquisites to agents. Therefore the "bang up" companies began to be far more circumspect and strict in their underwriting and the selectivity factor was brought prominently into play. Considerable business was turned down that would have been accepted under usual conditions but these companies relied on the acquisition of considerable new business of superfine quality. It might well be said that offices took a very independent attitude.

With the lapse of time companies find that this automatic flow of business of exquisite fineness did not reach their doors. There has not been much offering of a voluntary nature from this class.

### Outcome Was Disappointing

The risks that have come to these companies from those that retired are usually of a substandard variety that would be turned down. Many agents have not sought the companies in the higher brackets but have cast about to see what bargains there were. In other words, production men say that the outcome has been disappointing. Some companies relied entirely on their reputation, financial strength, prestige and service to draw this new business and these new agents that escaped from sinking ships. Some six months ago, alert production men realized that the theory and prediction were incorrect. Therefore these companies started to work with ardor in trying to land agents that had desirable business. It was discovered that after all, if good agents having good business are to be had, they have to be gone after. That seems to be a rule that will hold in good times or bad.

## Federal Work Which Was Held Back Is Now Released

In addition to the prospective contract bonds in connection with projects to be financed out of the \$3,300,000,000 public works appropriation by Congress, surety companies are getting some immediate advantage by reason of the fact that much other previously contemplated federal work is being launched now. For about 90 days there were no bulletins from Washington inviting contractors to bid on federal work, but now bulletins are going out every week.

Plans and specifications have been ready to go to contractors on much work for some time, but the supervising architects were instructed to hold these instruments back. Apparently, the administration has now given orders to have these released. This is creating some contract bond revenue immediately. The first contracts in connection with the \$3,300,000,000 appropriation will not be awarded for several months.

### Organize Regal Indemnity

The Regal Indemnity is being organized in Los Angeles with \$500,000 authorized capital and has been authorized by the California department to sell stock in that state. The permit is based on issuance of 5,000 shares of \$100 par value, to be sold at \$125, thus providing \$500,000 capital and \$125,000 surplus. It plans to write fidelity and surety, workmen's compensation, common carrier liability, accident and automobile insurance. Los Angeles men listed as directors are: Charles Ebling, A. M. Lovelace, J. H. Lloyd, C. A. Sunderlin and Will Bagby.

## Maryland Casualty Adds to Its Chicago Branch Staff

The Chicago branch of the Maryland Casualty has just added three new members to its official staff.

W. H. Scott, who has been connected with the Zurich in the accident and health department at the head office, is appointed accident and health manager in the Maryland Casualty branch. Although Mr. Scott devoted considerable attention to claim work for the Zurich, he is also known for his production ability. He succeeds R. W. Abbott, who resigned some time ago. Mr. Abbott is the immediate past president of the Chicago Accident & Health Insurance Club.

James Lemon, who has been connected with the Commercial Casualty in the bonding department for six years, has been appointed assistant to Edmond Madden, manager of the bonding department of the Maryland Casualty in Chicago.

Francis Haack, who has been connected with the automobile department of the Providence Washington in the western headquarters for seven years, has been appointed assistant to William Browne, manager of the casualty department. He succeeds Stewart Scantlin, who has joined the Globe Indemnity.

### Opens St. Louis Credit Office

ST. LOUIS, June 28.—The London Guarantee & Accident has opened a credit insurance department in the Boatmen's Bank building here. Louis L. Roth, former National Surety general agent, will be in charge as general agent.

## Small Claims Irk Casualty Officials

General Outlook for Business Is Brighter Despite Collection Problems

### OPERATE ON SANE BASIS

Elimination of Cut-Rate Competition and More Caution by Agents Relief to Executives

NEW YORK, June 28.—Lacking the general practice previously enjoyed, many lawyers are developing damage cases to an extent that is causing casualty underwriters no little annoyance and expense. Claims are filed for accidents or alleged accidents of most trivial character, and while the sums demanded are often for limited amounts, their handling by the companies calls for considerable time and in the aggregate means quite an expense. This unusual activity on the part of none too scrupulous members of the legal fraternity is directly attributable to depressed general business conditions and will likely continue until there is a marked betterment in the economic situation.

### Outlook Is Brighter

While casualty company executives are still struggling with the collection of overdue premium accounts and are forced to exercise unusual care in the selection of submitted risks because of the large number of lines offered in which receiverships figure, the prevailing feeling in home office circles here is that the outlook, while not rosy, is yet perceptibly brighter and the conduct of the business henceforward will be upon a saner basis. Under stress of circumstances company chiefs have been compelled rigidly to overhaul their operating practices, cutting out the overlapping of effort, with its attendant hampering of efficiency and added cost, and get down to a real clear-cut method of handling affairs. The number of adjusters employed per each \$1,000,000 at risk has been reduced in many companies, claim men being routed definitely and with a view to conserving time and money, and no longer permitted to jump hither and yon, as the spirit moved them.

### Cut-Rate Competition Lessened

The elimination the past year of a number of companies, and notably of several whose business was secured via the cut-rate or high commission route, has not only reduced field competition but has made agents critical as never before as to the character and stability of the companies they represent. This means that two of the most vicious practices with which competently managed institutions have had to contend in the past have been checked to a considerable degree, making possible the procuring of business at manual tariffs and at

(CONTINUED ON LAST PAGE)

## Efforts to Place Silicosis Under Acts Fail This Year

### LOADING DEEMED TOO SMALL

#### Many Companies Require Examination of All Employees for Traces of Disease Before Issuing

Happily for the casualty companies, the effort in a number of states during the legislative season just ending to amend the workmen's compensation law to include silicosis under the act was unsuccessful. Illinois was among the states in which this move was killed.

It is the belief of a number of compensation underwriters that the loading for silicosis averaging 50 cents per \$100 of payroll carried in the occupational disease schedule put into effect several months ago by the National Council on Compensation Insurance is pitifully low in cases of risks where there is any exposure to the substances causing silicosis.

#### Wisconsin Experience Cited

It is pointed out that the experience in Wisconsin where silicosis comes under the act indicates the average cost of such claims runs around \$5,000. One large company not long ago paid two such claims in Wisconsin for about this figure, the total premium on one being only \$4,500. It is recognized that silicosis is one of the most dangerous hazards so far as carriers are concerned. The full effects of the disease require many months and even years to develop.

One of the most competent underwriters stated that it is safe to say that in any risk where the hazard exists every employee exposed is in some stage of the disease. The disease is manifested by a building up of scar tissue in the lungs due to inhalation of the fine particles of stone.

Many companies for some time have been avoiding the taking on of the silicosis hazard wherever possible and mainly have written it only as an accommodation to agents.

This is a highly specialized trade and it is usually found employers must rely to a large extent on the experienced workmen who have been in the trade elsewhere under other employers. Consequently many of them have a history of long exposure to the dust.

#### To Announce Plan Soon

The special insurance commissioners' committee of which Brown of Massachusetts is chairman to act for holders of real estate bonds guaranteed by the National Surety has sent a communication to bondholders stating that a comprehensive plan for their benefit will be announced soon. The committee states that the plan will provide adequate protection of the security underlying the outstanding bonds, with all available safeguarding of the claims of the bondholders against the assets of the old National Surety.

The support of the committee is requested. Bondholders are warned against accepting speculative offers to buy.

Although Van Schaick of New York is not a member of the committee, he is working closely with it. The recently enacted Dunnigan bill, he recalled, creates a protection corporation to act for holders of securities guaranteed by title and mortgage guarantee companies. It is the policy in New York not to yield recognition to privately organized protective committees.

#### Wittenberg Newark Manager

R. E. Wittenberg has been appointed branch manager of the Universal Indemnity in Newark. He has been with New York offices for more than 20 years.

## Special Deposits Weaken Rather Than Strengthen

NEW YORK, June 28.—Casualty company officials feel that the net effect of the special deposit laws which have been passed and introduced in legislatures in various states will be to weaken rather than improve the financial standing of the companies through the scattering of their assets. The practice is unfair as it creates a preferred class of creditors to the detriment of the policyholders in general. One company official pointed out that although there are laws against unfair discrimination as to rates, the new laws are discriminatory by creating two classes of assureds. If there is any doubt of a company's ability to carry out its contract, the official said, it is better for the people of the state that that company be refused admission. Creation of special deposits may assume such proportions as to curtail the amount of free capital necessary to carry on the development of other lines.

## Aetna Casualty Only One to Issue Comprehensive Form

NEW YORK, June 28.—For the convenience of motorists desiring complete liability coverage and willing to pay for it, the Aetna Casualty brought out its comprehensive automobile liability policy some months ago. While other companies have closely watched its reception by the insuring public, none has copied the form thus far. In addition to the basic coverage the contract assumes liability for loss suffered by anyone driving a car with the owner's permission, whether a member of his household or not, and in addition contains a number of unusual and liberal features. Each of the features is sanctioned by the rules of the National Bureau and the proper manual rates are charged. While the features may be assumed by other companies through the medium of rider attachment to the base contract, the Aetna Casualty conceived the idea of specifically naming them in the body of the policy, simplifying thereby the extent of the coverage to the mind of the assured.

#### Department Office Established

DENVER, June 28.—P. J. Glover has been appointed resident manager of the mountain department of the New Amsterdam Casualty. Vice-president F. H. Strickland was here to conclude arrangements. The territory embraced in the department is Colorado, Wyoming and New Mexico. Mr. Glover has been in this field five years and was with the former Schuyler general agency.

#### Wisconsin Board Abolished

MADISON, WIS., June 28.—Both houses of the Wisconsin legislature have approved the bill which abolishes the Wisconsin compensation insurance board, handling rating matters only, and relegates the secretary's duties to the insurance commissioner's office. H. L. Mount, Milwaukee, is now secretary of the board. Commissioner Mortensen has been chairman ex-officio. Governor Schmiedeman is expected to approve the bill.

#### Globe Indemnity Detroit Change

C. L. Platts and J. H. Baker have withdrawn from the Bloom-Platts Agency and the Globe-Michigan Agency, affiliated offices which formerly were general agents for the Globe Indemnity in Detroit. Willette & Hughes, Free Press building, have been appointed general agents for the Globe. G. A. Hughes is president and treasurer of the agency and E. L. Dwyer secretary.

## Multiple Line Companies Are Demanding All Lines

### COMPENSATION IS THE LEVER

#### Carriers Without Compensation Facilities Feel the Pressure—Agents Want All of Assured's Business, Too

More and more are agents, as the price of placing compensation insurance for a client, demanding his other lines of business. General agents are adopting the same attitude towards brokers and subagents and companies are making the same demands on their representatives.

This tendency is pinching the specialty companies in the casualty field. The automobile companies are feeling the pressure and feel that they are forced to cut rates even deeper than they have in the past in order to attract business their way against the competition of multiple line companies who are demanding automobile insurance along with compensation. Then there are specialty companies in the plate glass, burglary and boiler business that are losing lines because they do not have compensation writing facilities. These are among the most desirable casualty lines and the multiple line companies are going after them hard as sweetening.

Then, too, a number of companies that had been engaged exclusively in the compensation and liability business are entering the automobile and plate glass field and are pushing hard for this business. The revenue from these auxiliary lines is the only thing that is keeping some of these compensation companies alive.

## Sold Policy After Company's License Was Canceled; Sued

Action was started in the superior court of Fairfield county, Conn., against three agents by an assured who had been sold a policy in the Independence Indemnity after the license of that company had been canceled in Connecticut.

Morris Sacks of Norwalk was the assured. He purchased the policy in July, 1932, while the Connecticut department canceled the Independence Indemnity's license May 1 of that year. The agents were C. E. Clauson of Norwalk, T. W. McAllister and J. H. Britt of Danbury. On Oct. 15 of that year Sacks was in an automobile accident and suit for \$20,000 was filed against him. The assured notified the Independence Indemnity and found the company was in receivership.

#### Seeks an Injunction

Sacks then started action seeking a temporary injunction to compel the agents to comply with the terms of the policy and to furnish bond to cover any possible judgment or to pay him \$2,000 damages.

The court denied the injunction. It said Sacks has just cause for complaint but that the agents had no knowledge of the failure of the renewal of the Connecticut license of the Independence.

The judge said that the fact that they did not have knowledge of the failure of the company to get a license may not protect them under section 4136. The decisive consideration, according to the court, is that Sacks has an adequate remedy at law. The present action, the court said, would seem to be ample notice to the agents to defend the action against Sacks or let it ride at their peril. If Sacks can fulfill all of the requirements, he apparently can recover of the agents not only the amount of the judgment and cost but any expense which he has been put to in defending the action.

This brings up the question of whether the insurance department should not announce when licenses of companies have been canceled.

## INSURANCE STOCK QUOTATIONS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, at close of business June 27

Stock	Par	Div. per Share	Bid	Asked
Aetna Cas. ....	10	1.60	50	52
Aetna Fire ....	10	1.60	33	35
Aetna Life ....	10	...	18	19
Amer. Alliance ..	10	1.00	14	16
American, N. J. .	2.50	.50	8 1/2	9 1/2
Amer. Surety ....	25	...	18	20
Automobile, Conn.	10	1.40	19	21
Boston ....	100	16.00	415	425
Carolina ....	10	.50	13	15
City of N. Y. ....	100	2.50	110	120
Continental Am. .	10	2.00	26	29
Continental Cas. .	5	...	12	14
Continental Ins. .	2.50	1.20	28	29
Fidel-Phenix ....	2.50	1.20	28	29
Fireman's Fund. .	5	3.00	44	46
Fireman's F. Ind. .	10	...	17 1/2	19
Firemen's ....	5	...	5 1/2	6
Franklin Fire ....	5	1.00	15	16
Glens Falls ....	10	1.60	25	27
Globe & Rutgers .	25	...	55	60
Great Amer. Ind. .	1	...	5	7
Great American. .	10	1.60	25 1/2	26 1/2
Harmonia ....	10	.50	12 1/2	13 1/2
Hartford Fire ....	10	2.00	43	45
Hartford St. B. .	10	1.60	45	47
Home, N. Y. ....	5	1.00	19	20
Home F. & M. ....	10	2.00	25 1/2	27
Ins. Co. of N. A. .	10	2.00	43	45
Maryland Cas. .	2	...	4	5
Mass. Bonding. .	25	...	23	25
National Cas. ....	10	...	6	7
National Fire ....	10	2.00	46	48
National Liberty .	2	.10	4 1/2	5 1/2
National Union. .	20	...	34	38
New Amst. Cas. .	10	1.50	14 1/2	15 1/2
New Brunswick. .	10	.50	13	14
North River ....	2.50	.60	14	15
N. W. National. .	25	.50	73	78
Occidental ....	10	...	16	17
Pacific Mutual. .	10	2.00	23 1/2	25
Phoenix, Conn. .	10	2.00	51 1/2	52 1/2
Prov. Wash. ....	10	.80	21	23
Sprgld. F. & M. .	25	4.50	70	72
St. Paul F. & M. .	25	6.00	108	112
Sun Life ....	100	...	420	450
Travelers ....	100	16.00	395	405
U. S. Fire ....	4	1.20	26	27
U. S. Fld & G. .	2	...	5 1/2	6 1/2
Westchester ....	2.50	1.00	19	21

#### Changes to Service Office

The Chicago branch office of the Lloyds of America in the Insurance Exchange building is being transformed into a service office and the agents who have been reporting to the Chicago office will now report direct to the head office in New York. R. S. Chaloner remains in charge of the office. Vice-President M. Daniel Maggin of the Lloyds was in Chicago this week supervising the change. He left Chicago for Cleveland, where the Lloyds branch likewise is being converted into a service office.

R. L. Gueydan has resigned as manager of the surety department of the Chicago branch, but he possibly may remain with the Lloyds in another capacity.

## South Dakota Liquidates State Insurance Funds

PIERRE, S. D., June 28.—On July 1 the two attempts at state insurance which were taken up by South Dakota will be liquidated.

The state bonding department goes out of existence, although in many instances county officials have already canceled their risks since the liquidation act was passed. This was done so the county officers could secure new bonds with the county paying the premium since with the repeal of the law there is no provision for the public paying for official bonds.

The hail insurance fund is one which will take some time to liquidate. The liquidation bill for this activity did not receive enough votes to make it immediately effective and as a result the farmers of the state listed their crop acreage they desired to have insured with the local assessors this spring, and that feature will require at least the rest of the present year to liquidate if it can be done in that time.

The Wheeler-Gill Company, San Antonio, Tex., has been appointed general agents of the Hartford Accident.



## Mississippi Agents Name J. L. Adams as President

### GRADED DUES PLAN ADOPTED

#### Alleged Practice of Planting With Financial Institutions to Control Insurance Discussed

HATTIESBURG, MISS., June 28.—Owing to a change in by-laws adopted by the Mississippi Association of Insurance Agents at its annual meeting, precedent was broken, and H. M. Watson retired from the presidency after serving only one term. He was succeeded by J. L. Adams, Gloster. Julian Hopkins, Columbus, and R. W. Roberts, Jackson, were reelected vice-president and secretary respectively. John Sharp Williams, III, Yazoo City, as manager takes over part of the duties formerly handled by Mr. Roberts. He will also serve as treasurer, and will devote a considerable portion of his time to traveling over the state visiting members and getting new members.

#### Adopt Graded Dues Plan

A graded dues schedule, following the Louisiana plan, was adopted, and the association voted to join Louisiana in a conference organization, subject to ratification by the Louisiana Insurance Society. Undoubtedly this will be adopted, as the Louisiana agents are already informally committed to such a program.

New directors elected by the Mississippi agents are B. L. Kuykendall, Drew; Frank Montague, Hattiesburg; S. E. Babbington, Magnolia; R. C. Griffin, Amory, and Lawrence McRaven, Meridian. The officers of the association are also directors, and in addition the presidents of six regional agents' organizations, if not already members of the board of directors, will be added to the board. Messrs. Kuykendall and Montague already hold such positions. The four remaining sections of the state have yet to organize and elect officers.

#### Complain of Financial Hookup

In executive session, the Mississippi association discussed at length the practice of certain companies planting agencies with financial institutions for the sole purpose of obtaining lines of insurance on mortgaged property. One large life insurance company, acting through a subsidiary mortgage company which it controls, was accused of owning outright several Mississippi local agencies, the commissions on fire lines accruing to the mortgage company, and the mortgage company paying straight salaries to the men who conduct the agencies. The same situation has obtained in Louisiana, according to Louisiana local agents who were present at the Mississippi meeting, and sat in at the executive session. However, there is possibility that the entire situation will be cleared up through conference with the life company and the offending fire companies, and the Mississippi association delegated to its new directors full power to act.

#### Conroy Is Deputy Custodian

R. W. Conroy has been appointed deputy custodian of the Central West Casualty of Detroit succeeding J. C. Ketchum, who becomes secretary and treasurer of the new Great Lakes Casualty, which will take over the agency plant of the Central West. Mr. Conroy graduated from the University of Michigan. After being in the motor business he became associated with the Michigan Mutual Liability. He went with the Central West Casualty early in 1931.

The Mutual Reserve, Fort Collins, Colo., has been licensed by the Colorado department to write accident and health. B. B. Helmick is president and A. L. Puckett secretary.

## U. S. Casualty Opens New Chicago Branch Office



WALTER W. STEINER

W. W. Steiner, who recently resigned as resident vice-president in Chicago of the Globe Indemnity, has been appointed resident vice-president and manager in the same city for the United States Casualty. His office will be equipped to supervise the business of the company throughout the central west, with which field Mr. Steiner is intimately acquainted.

For several years Mr. Steiner was assistant manager for the American Surety at Chicago. In 1921 he joined the Globe Indemnity as manager of its bond department at Chicago. Later he was made resident vice-president in charge of the branch.

He has an extensive acquaintance in the business and is one of the leading executives in Chicago.

The branch will be located in A-1919 Insurance Exchange. T. E. Dunne, who has been bond manager for the U. S. Casualty in Chicago for many years continues in that capacity. C. H. Eldredge, who has been general agent for the company more than 30 years, will make his headquarters with the branch.

## New Survey Manual Issued for Commercial Risk Use

The Aetna Casualty has prepared a new copyrighted manual for making surveys of commercial risks, consisting of more than 200 pages of instruction and checking information, recommendations, a specimen survey and other special features. It deals in considerable detail with practically all casualty, surety, fire and marine lines and includes a section on "Building Costs" in the preparation of which the American Appraisal Company cooperated.

The insurance survey plan, which provides for the investigation and study of the insurable hazards of a given risk, examination of the insurance carried, the preparation of a detailed record of policies in force and the rendering of a written report in which the agent or broker submits his recommendations to the client, has become firmly established as a sound and constructive business-building and service method, Aetna agents having completed approximately 10,000 surveys in 1932.

#### Prevost Visiting Agencies

C. A. Prevost, vice-president Associated Indemnity, is visiting branch offices and agencies in the east and middle west. During Mr. Prevost's absence, W. R. Dempsey, assistant vice-president, is taking care of the duties of his office.

## Creditors to Make Appeal for Opening Closed Banks

### OVER 5,000 ARE STILL SHUT

#### Expect President's Rehabilitation Program Will Enable Sureties to Realize Salvage on Depository Losses

NEW YORK, June 28.—It is figured that approximately 5,000 banks which closed during the moratorium period have not yet reopened their doors, representing not less than \$5,000,000,000 of deposits belonging to 20,000,000 depositors. A united appeal on behalf of the creditors will soon be made to President Roosevelt to so modify the rules of the government that many of the institutions may resume business, contributing thereby to the cash available for purchasing commodities and so aid in restoring industries.

While the surety companies furnishing depository bonds have received some salvages from liquidating banks these have not been substantial in comparison with the losses, and the prevailing belief is that some considerable time must yet elapse before additional dividends of any size can be secured. As the rehabilitation program of the President gets into operation farmers, securing better prices for their crops, will be enabled to take up obligations now "frozen" with the banks. Municipalities will be in position to pay interest on their bonded indebtedness and manufacturers and merchants in shape to take care of paper held by financial institutions. This in turn will aid in liquidating banks' frozen assets. Once this circle of improvement gets well under way and many of the banks now closed resume active business, surety companies should get in an increasing volume of recoveries under their depository bond payments.

#### Raises Rates on Renewals

The Phoenix Indemnity is making its present new business rates and limits applicable to all renewals on accident and health policies effective July 1. An increase in new and renewal rates on all policies providing medical reimbursement will also become effective at that time. On one group of policies formerly written on a principal sum unit basis of \$1,500, that unit is reduced to \$1,000 and the basic rate for each \$1,500 principal sum now becomes the basic rate for \$1,000. The present rate for the "professional man" policy will now apply to all forms in this group on renewal. For \$7,500 principal sum and \$25 weekly (class A) the premium is increased from \$25 to \$30, or if it is desired to retain the old premium, the principal sum is reduced to \$5,000. On another group, where the premium for \$5,000 principal sum and \$25 weekly (class A) is now \$25, it is increased to \$35 and on policies providing weekly indemnity only the rate for \$25 weekly is increased from \$15 to \$20. The premium for all health business written on policy form SH is increased 10 percent.

#### Issues "Non-Can" Contract

In celebration of its 29th anniversary the Massachusetts Indemnity is issuing a new non-cancellable life indemnity disability contract with a 30- or 90-day waiting period.

#### Perry Made Texas Supervisor

Ed Perry has been promoted to agency supervisor in Texas for the State Reserve Mutual and Gibraltar Life & Accident of Denver, affiliated accident and health companies of the Colorado Life. He will assist State Manager Ben Thorp in agency development and training. He formerly represented the companies in California.

## Late News from the Casualty Field

### Takes Massachusetts Indemnity

NEW YORK, June 28.—L. D. Muller, head of the Muller accident and health agency of the Phoenix Indemnity, has taken on accident and health representation for the Massachusetts Indemnity, giving the agency facilities for handling noncancelable business, which the Massachusetts Indemnity writes.

### Two Chicago Concerns Involved

The Northern Casualty Underwriters of Chicago, the reciprocal writing largely automobile insurance, filed a cross bill in the receivership that was applied for by the attorney general. Judge Gentzel of Chicago has referred the matter to a master in chancery. The case is set for this week.

Judge Brothers of Chicago has referred the application for receiver on part of the state for the Central States Motorists of Chicago to a master to take evidence.

### General Accident Examined

The New York department has completed its triennial examination of the United States branch of the General Accident, covering the period from Jan. 1, 1930, to Dec. 31, 1932.

### After Medical Aid Societies

SEATTLE, June 28.—An active drive to curtail the operations of so-called medical aid societies of Washington is now being made by the insurance department. Many of the organizations, it is believed, are doing an insurance business.

### Kolb Heads Baltimore Club

BALTIMORE, June 28.—The Casualty & Surety Club of Baltimore, following its annual spring field day and dinner, named the following officers: President, E. L. Kolb, Maryland Casualty; vice-president, W. M. Connor, New Amsterdam Casualty; secretary, W. E. Moore, United States Fidelity & Guaranty; treasurer, F. H. Strickland, New Amsterdam Casualty. New directors are H. C. Michael, Maryland Casualty; Frank B. Dancy, United States Fidelity & Guaranty; R. P. Wall, Fidelity & Deposit, and Garner W. Denmead, New Amsterdam.

## Open to Reforms on Compensation

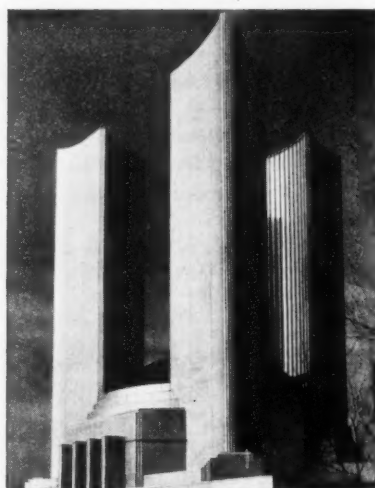
(CONTINUED FROM PAGE 21)

hold little prospect for early improvement.

During the past year the business suffered through the issuance of separate rate filings by the stock and the non-stock members of the National Council, the result of such confusion being that several states declined to grant any increase at all while others, which recognized the justice of the appeal for an advance sanctioned one considerably below that requested by either type of carrier. Fortunately members of the National Council have since agreed to present but one set of filings henceforward, a procedure that will materially enhance their chances.

Press reports from different sections of the country tell of improvement in industrial conditions, properties that have been working on a low percentage of capacity now showing substantial gains. Thus far, however, the compensation writing companies have not received any benefit from the changed condition, and it is probably too early yet to expect such result.

## June — and the World's Fair!



Celebrating a Century of Progress. One hundred years . . . Three miles of bright new city, risen, in the period of a few months out of the water and out of the sand . . . Strange buildings without windows — magnificent studies of highlight and shadow . . . miles of neon tubes, millions of lights.

Sound that's visible . . . color that's audible . . . miracles of science and invention . . . priceless relics . . . eighty-two miles of breath-taking wonders gathered here as a tribute to the advancement of man.

★ ★ ★

To those of the Ohio Casualty family who are planning a visit

to the World's Fair this summer, we extend this invitation. Make the Chicago office YOUR headquarters during your stay. You'll find us in the Insurance Exchange Building, 175 W. Jackson Blvd. Phone number: Harrison 7997. Arrange to transact your business, meet your friends, have your mail forwarded there.

And to agents who are not affiliated with the Company, but are interested in what it has to offer—the same invitation is extended. We're hoping you'll drop in. You'll find a "Welcome" on the doormat, and a warm welcome inside.

★ ★ ★

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Burglary      Fidelity and Surety Bonds

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READING, PENNSYLVANIA



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Supporting the American Agency System ever since

**New Amsterdam**  
Casualty Company

A Progressive Surety and Casualty Company

## The A & H Review

A monthly magazine for health and accident salesmen. \$2 a year.

## WORKMEN'S COMPENSATION

### Harrington Urges New Deal

Compensation Program for Benefit of Stock Insurance As a Whole Needed, Georgia Agents Told

Stock insurance people must submerge selfish individual interests and map a compensation program for the benefit of the institution as a whole, W. Eugene Harrington of Atlanta, past president of the National Association of Insurance Agents, told members of the Georgia Association of Insurance Agents in annual meeting at Albany.

Mr. Harrington favors adoption of the work hour basis of rating, elimination of schedule rating and the business administered by one department representing all stock companies.

Mr. Harrington said the numerous conferences he has attended on the subject have been marked by the desire for preservation of individual rights. Companies and agents have been unwilling to approach the subject from the viewpoint of the welfare of stock insurance as a whole.

#### Commission Reduction

Mr. Harrington said he disagrees with those who believe that reduction of commissions would cure all evils. On the other hand, he said, he takes issue with the standpatters among the agents, who refuse to permit the suggestion that commissions be adjusted. The now abandoned program of the National Bureau of Casualty & Surety Underwriters contemplated a reduction in acquisition cost with the idea that the rate would be reduced accordingly. That would be a step to meet the competitive phase of the situation, but the companies would have still been unable to write the business because of the underwriting loss. He pointed out that if all acquisition cost should be eliminated and the rate reduced proportionately, the underwriting problem would remain unsolved. Any adjustment of commission should be merely a part of a general program, he said.

The work hour basis, according to Mr. Harrington, would provide a constant factor on which a stable rate structure could be erected.

Mr. Harrington expressed opposition to stock and mutual companies using the same bureau for rate administration. Stock and mutual companies should each be permitted to determine their own methods of rating and administration without the equal voice of the other acting as a deterrent, he said.

### Controversial Rule Abolished

The allowance of a rate credit of 12½ percent on that portion of compensation premiums in excess of \$1,000, together with a reduction in commissions on that portion of the premium to general agents from 17½ percent to 10 percent, has been abolished by order of the National Bureau of Casualty & Surety Underwriters as of July 1. This plan was introduced about a year ago and stirred up much contention. Most companies have been ignoring the plan and consequently the order abolishing it does not have much significance.

### Revise Road Contractors' Rates

AUSTIN, TEX., June 28.—The Texas board of insurance commissioners has issued new classifications of hazards and rates for compensation on employees of road contractors, effective July 10. Action was taken due to the allotment of \$24,000,000 federal aid in building Texas highways. Due to the inflexibility of the legal minimum benefit of \$7, the federal government's maximum 30-hour a week plan makes the rate prior to this revision inadequate.

The revision tends to bring the experience rated risk nearer to the manual rate and tends to simplify the payroll assignments by making all work in connection with road contracts carry a manual \$7 rate with the exception of the larger bridge building work and incidental quarrying operations.

Road contractors' compensation risks have always been unprofitable and many companies will not take the risk without a 50 percent additional premium. This procedure was not allowed in Texas and it was difficult for the contractors to get proper insurance.

### Now Wisconsin Chairman

MADISON, WIS., June 28.—Voyta Wrabetz was elected chairman of the Wisconsin industrial commission at a meeting here. He has been a commissioner since 1927 and since 1919 had been a member of the commission staff. P. A. Napieckinski of Milwaukee is a new member of the commission, succeeding F. M. Wilcox, who had been a member for 20 years. R. G. Knudtson of La Crosse is the third member.

### Work Three Days, Paid for Six

LINCOLN, NEB., June 28.—Compensation Commissioner Matthews, in cases where men are working but three days a week, holds that where a man has been injured he has lost his earning power for six days a week. The companies contend that as the law merely assumes to compensate him for lost earnings the proper basis of computation is what he actually lost in earnings. The ruling will be appealed to the courts.

### New Jersey Probe Authorized

NEWARK, June 28.—The New Jersey legislature has passed a senate joint resolution for an investigation of the workmen's compensation situation in New Jersey. The resolution provides a commission of nine, two from the senate, two from the house and five appointed by Governor Moore, one each from the labor department, employers, insurance companies, medical and lawyers. Hearings will be held during the summer and early in the fall the committee will report its findings to the legislature.

### Bureau Executives to Be at Pennsylvania Hearings

NEW YORK, June 28.—The committee appointed by Governor Pinchot of Pennsylvania to investigate "the legal and practical aspects of workmen's compensation insurance" will hold hearings in Philadelphia July 6-7; Pittsburgh, July 12-13; Scranton, July 19, and Harrisburg, July 20. Believing that these hearings would afford an admirable opportunity for suggesting means for bettering conditions in the compensation field, the National Bureau of Casualty & Surety Underwriters deputized J. A. Beha, general manager; William Leslie, associate general manager; Maj. W. P. Cavanaugh, claims manager, and other members of the staff to represent it. F. Robertson Jones, secretary-treasurer Association of Casualty & Surety Executives, and P. T. Sherman, counsel of the latter body, also will probably attend the hearings.

The committee will present a comprehensive report, covering in detail the important activities of the stock casualty companies, and will recite the administrative, underwriting and claims conditions and their relation to the new Pennsylvania act.



## FIDELITY AND SURETY NEWS

### Wary of Bonds on Officials

**Difficult to Secure Adequate Reinsurance—Companies Limit Coverage to Own Agents**

NEW YORK, June 28.—The viewpoint of surety underwriters toward public official bonds of various types in the different states, and particularly in Arkansas, Alabama, Connecticut, Georgia, Kentucky and Pennsylvania, was revealed at the meetings of the public officials bonds committee of the Surety Association of America here. Public official bond losses have been so numerous in recent years that underwriters have become ultra critical in their consideration of such offerings. For the most part they are holding acceptances down to individual lines, it being extremely difficult to obtain adequate reinsurance. The prevailing thought of each company apparently is to handle business of its agents only and to decline offerings of reinsurance from other offices.

vision, rate discounts may not be allowed for chain store organizations.

### Shaky Banks Not Guaranteed

WAUKESHA, WIS., June 28.—A decision given in circuit court here by Judge C. M. Davidson, if upheld by the state supreme court, will free the state board of deposits of any obligation to pay for losses on public deposits in banks which are shown to have been in doubtful condition at the time that the state guarantee law went into effect or at the time the banks became public depositories.

In the case of the city of Oconomowoc vs. First National Bank of Oconomowoc, Judge Davidson ruled that the individual sureties were liable for the \$67,722 public funds on deposit when the bank closed Dec. 31, 1931. The judge held that the legislature "did not intend to legislate the state board of deposits into bankruptcy" by guaranteeing public deposits in banks which were already shaky, and that the law in such

instances was not retroactive. The personal sureties, the judge declared, cannot dodge their obligations by making the bank a public depository when it becomes evident that they probably will have to make good the public funds. The sureties made their request to be relieved of liability Dec. 28, 1931, just three days before the bank closed.

### Guaranty Fund Sureties Relieved

LINCOLN, NEB., June 28.—The Fidelity & Deposit, New Amsterdam Casualty, Southern Surety, American Surety and Globe Indemnity have been relieved of liability as bondsmen for members of the defunct state guaranty fund commission in a suit in which \$300,000 damages was asked by depositors of the failed Bridgeport State bank.

Under the law the commission undertook to restore the solvency of the bank by operating it for some months as a going concern. The depositors claimed that favoritism had been displayed in winding up the bank's affairs and that certain heavy depositors were allowed to withdraw their money. The court holds that the law conferred quasi-judicial powers on the commissioners, and that errors of judgment or decision do

not render them liable for damages to injured persons where they acted within the scope of their authority and did not act wilfully, maliciously or corruptly, a condition not shown to exist.

### Joint Outing in July

The Surety Underwriters Association of Chicago held an outing at Wilmette country club Tuesday as a means of practicing for the annual joint tournament with the Milwaukee Surety Underwriters Association, to be held near the middle of July.

### Seek Annual Bid Bonds

Surety companies are urging their agents to get in touch with manufacturing and supply houses, which have been interested in bidding on government work during the past year. On June 30 such houses will be required to file new annual bid or performance bonds to provide for their relations with the government for the next fiscal year.

The cost of an annual bid bond is only \$10 and covers any and all bids submitted to any one governmental department during the year. The companies point out that this is a time and trouble saver for the government and for the bidders.

### Rules Against Earmarking

**Sureties Get Jolt in Illinois Court Decision Regarding Handling Public Official Bonds**

A severe jolt to surety companies is given in the recent decision of the court of appeals of Illinois holding illegal an agreement to place securities in escrow to protect public fund deposits. When banks found it extremely difficult to obtain surety bonds guaranteeing the integrity of public funds, bankers evolved the idea of placing securities in ample amount with other financial institutions, earmarking such funds so they could be used for no other purpose. This arrangement was agreeable to the surety offices and justified their granting required bonds. The decision of the circuit court of appeals in the action of the receiver of the failed City National Bank of Herrin to have money thus reserved returned for the benefit of general creditors of the defunct institution was that the action of the bankers in thus transferring funds was ultra vires, and hence illegal.

### Rates Charged by Excise Bond Pool Are Announced

Rates for bonds required by the New York state alcoholic beverage control board to be handled by the Excise Bond Underwriters have now been determined by the Towner Rating Bureau.

Brewers must file a bond of \$15,000; wine manufacturers, \$5,000 and wholesalers of beer and/or wine \$2,500. The rate for these bonds is \$20 per thousand per year.

Retail grocery and drug stores licensed to sell beer or wine to be consumed off the premises must file bonds of \$250 for each premises. The annual premium is \$15.

#### Rates for Hotels and Restaurants

Summer hotels that sell beer or wine for consumption on the premises must file \$250 bonds, premium \$15; vessels, \$500, premium \$20; beer gardens, clubs, hotels and restaurants in cities of less than 100,000 population, \$500, premium \$20; in these same places in cities of more than 100,000 population, \$1,000, premium \$25.

The Towner bureau made a rule providing that if a blanket bond is issued covering two or more locations, each location takes the same premium as those separately bonded. By this pro-

## WHERE EXPERIENCE COUNTS

IN no other business, perhaps, is experience more necessary for success than in the surety business. Successful surety underwriters are made, not born. And they are made, not by reading books, but by daily contacts over a period of years with the intricate problems that are continually arising in the surety business.

Judged on the basis of experience, the F&D's staff of underwriters ranks exceptionally high. Six have been with the Company between 30 and 40 years; nine between 25 and 30 years; ten between 20 and 25 years; thirteen between 15 and 20 years; twenty-four between 10 and 15 years; thirty between 5 and 10 years.

The accumulated experience of the F&D's underwriters is a guarantee of prompt, authoritative action on any bonding proposition. It also is assurance that no proposition will be turned down if there is the remotest possibility of making it an acceptable risk. In countless cases, risks which at first appeared hopeless have been whipped into underwritable shape by the F&D's experts, thereby saving premiums for the Company and commissions for the submitting agents.

If you are interested in representing a company that is equipped in every way to help you build up a profitable volume of surety business, you will be doing yourself and the F&D a favor by communicating your desire to us.

**FIDELITY AND DEPOSIT COMPANY**  
OF MARYLAND • BALTIMORE

FIDELITY AND  
SURETY BONDS

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# DIRECTORY OF LEADING LOCAL AGENTS ILLINOIS

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Established 1868  
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Unexcelled Insurance Facilities  
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**CENTRAL FIRE AGENCY, INC.**  
(Underwriting Agency)  
Risks accepted throughout the United  
States, Canada, Cuba and Porto Rico  
92 William Street, New York City

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"Insures Anything Insurable"  
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CINCINNATI  
Submit Your Propositions to Us

# TEXAS

**RICE & BELK**  
INSURANCE  
Established 1886  
HOUSTON, TEXAS

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GENERAL AGENTS  
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86 Michigan St. MILWAUKEE  
Engineering Service—All Lines  
The largest Insurance agency in the  
State of Wisconsin

# NEWS OF THE COMPANIES

## Change in Capital Structure

**New Amsterdam Casualty Is Arrang-  
ing to Reduce the Par Value of  
Its Shares to \$5**

A special meeting of stockholders of the New Amsterdam Casualty has been called to act on the proposal to transfer \$2,250,000 from capital account to surplus and contingency reserve, by reducing par value of the 450,000 outstanding shares to \$5 per share, thus making capital \$2,250,000 and then authorizing 50,000 new shares at \$5 par value, making the authorized capital \$2,500,000. President J. Arthur Nelson points out that the change in par value does not affect the proportionate ownership of stockholders in the company.

Mr. Nelson states that the additional 50,000 shares may be used for acquiring stock of another insurance company. If not used for that purpose, these additional shares would be offered to stockholders at a date and price to be fixed by directors.

## Average Values Explained

"For several years," the statement declared, "insurance company financial statements have been rendered with investments at average values. This expedient was ordered by the insurance commissioners convention because of depressed market prices of securities. No decision has been made on the ruling for fixing values of securities of insurance companies for financial statements to be rendered at the end of the current year.

"With bonds at amortized values and stocks at market values, our company has a substantial surplus above our \$4,500,000 capital. If it should be determined that bonds as well as stocks shall be carried at market values, we will be able to show a satisfactory surplus at present market prices of both bonds and stocks under the proposed change in our capital structure.

"For the first five months of 1933 our company's business has been satisfactory, the premiums written having increased \$328,000, while losses and expenses paid decreased \$696,000, as compared with similar period of last year.

"Following our policy of confining the amount of dividends to stockholders to a sum less than that received from investments, we feel the semi-annual dividend of Aug. 1, 1933, should be less than that paid on Feb. 1, 1933; this would be conservative, and unless conditions change materially, a dividend of 60 cents per share, payable August 1, will be recommended to our directors at their July meeting.

"From all indications we have confidence that the worst of the depression has passed, and look forward to an improving financial and business situation."

## Crawford Explains Setup of Great Lakes Casualty

Armstrong Crawford, president of the newly organized Great Lakes Casualty of Detroit, which was formed to carry on much of the business of the Central West Casualty, gave a luncheon in Chicago Monday for about 25 general agents of the Central West Casualty in Illinois and Wisconsin. He explained in detail the set up of the Great Lakes Casualty and answered questions.

Agents are being given the opportunity of reinstating for the unexpired term business of the Central West, which had been canceled following the appointment of a conservator for that company. In other words, agents may take out in trade their claims for return

premium against the Central West Casualty.

A claim branch is being established in Chicago on the 21st floor of the Insurance Exchange with A. J. Farrell as general attorney and T. J. Keegan as chief adjuster. There will not be a production branch office in that city.

The office of Mr. Farrell will also have charge of the claims of the Central West Casualty through the custodian-manager. Mr. Farrell has been in charge of the claims for the Central West Casualty in Chicago for five years. Prior to that he was in the legal department of the Hartford Accident in Chicago seven years.

Mr. Keegan was for two years assistant manager of the Chicago claim department of the Central West. He was in the claims department of the General Accident in Chicago for 14 years.

## New Prudential Casualty Suit

ST. LOUIS, June 28.—Superintendent Thompson as liquidating officer for the Prudential Casualty & Surety of St. Louis has filed a new suit for \$314,657 against the Insurance Investment Corporation of St. Louis, based on that company's alleged failure to carry out a repurchase agreement with the Prudential when certain securities were sold to the casualty company. The new action is similar to a prior suit filed on behalf of Superintendent Thompson last September.

Massey Wilson, head of the Insurance Investment Corporation, said there was no real basis for the action and that the Prudential Casualty & Surety really owed his company money.

## Interstate Casualty Dividend

ST. LOUIS, June 28.—Federal Judge Davis has ordered C. G. Revelle, receiver for the defunct Interstate Casualty, to pay a final dividend of 10½ percent on \$331,137 of approved claims. This final payment of \$34,769 brings the total of dividends up to 25½ percent, a prior 15 percent dividend being paid a year ago.

## Suspends Washington Operations

The Zurich has discontinued its branch office in Seattle and suspended business in Washington. There will be no new business written but the old will be carried to expiration. B. E. Sewell is state manager. All the activities will be transferred to San Francisco. Mr. Sewell will go there as a production man. The Zurich will continue to be licensed in Washington but will not write any business. The Zurich Fire will continue to operate in the state.

## International-Union Suit

NEW ORLEANS, June 28.—Receivers of the International Reinsurance have filed suit against the receiver of the Union Indemnity, demanding an accounting of all funds, securities and rights of action held by the Union as salvage in connection with bonds reinsured by the International.

# PERSONALS

George L. Radcliffe, vice-president of the Fidelity & Deposit and chairman of the Democratic campaign in Maryland last year, is President Roosevelt's choice for federal public works administrator for Maryland, it is reported.

The White House has queried members of the Maryland Congressional delegation as to whether the appointment of Mr. Radcliffe, who is a personal friend of the President, would be

acceptable. The Marylanders, it is understood, informed the President that the naming of Mr. Radcliffe would be most acceptable to all party leaders.

R. K. Meneely, vice-president of Lloyds of New York, celebrated the 50th anniversary of his connection with the office June 23. The associated executives tendered him a luncheon in honor of the occasion. In the half-century that has elapsed since Mr. Meneely as an office boy entered the employ of the Lloyds Plate Glass, as the corporation was known up to within a recent period, he was advanced through successive grades until he reached his present executive post, with especial charge of the plate glass department. Since 1883 he served under President Beemer, Woods and Livingston, the last named being the present chief executive.

Frank S. Wilder, who has been connected with the National Surety office in Chicago, and who has had a wide experience in surety and insurance lines, has become connected with the Aetna Life companies in Chicago and will be associated with the branch office under Manager George Tramel in the Insurance Exchange. He will be in the production department and will write all lines of insurance.

J. Philip Bird, 70, president of the New Jersey Manufacturers Association Fire and New Jersey Manufacturers Casualty, ended his life by shooting himself in the head while at Plymouth, Mass. His home was in Plainfield, N. J. He had been president of the affiliated companies for many years and had been active in civic affairs. In 1932 he was a vice-president of the New Jersey Taxpayers Association. He was a vice-president of the International Reinsurance. Possibly the difficulties of that organization preyed on Mr. Bird, contributing to his decision to end his life.

# Collection Worries Gone!

Buckeye Union agents have no worries about collections . . . because their company has a collection program that fits.

Every Ohio agent should investigate this plan . . . and increase his profits.

Buckeye Union agents are making progress day after day, with collections up-to-date. You can do the same. Write today for complete information on the Buckeye Union plan. There is no obligation.

•  
Territory in Ohio

•  
THE

**Buckeye Union  
Casualty Company**

515 E. Broad St.  
Columbus, Ohio



## Appraisal Scheme Stirs Controversy

(CONTINUED FROM PAGE 3)

binding on all companies. Those companies that offer the service say that they make it clear to the assured that the estimate is only in behalf of their own company. However, those opposed to the appraisal system, fear that their interests would be prejudiced.

One school feels that the matter of fixing values should be exclusively the responsibility of the assured and that the companies would be getting on dangerous ground should they undertake to assume the responsibility. Those who hold to this view say that it would be impracticable for a company to keep track of fluctuating values every few weeks or months.

### DISCUSSION IN ILLINOIS

At the annual meeting of the Illinois Fire Underwriters Association at Delavan Lake, Wis., last week several members sought to prove that the North America had violated the unfriendly conduct rule of the Western Underwriters Association in the writing of school property at Granite City and Bethany, Ill. The debate was bitter and a resolution of protest was adopted to be sent to the W. U. A.

A copy of a letter from George H. Muelder, Granite City local agent, was read. This set forth that the North America had recently written the entire line, building and contents, on the Granite City Community High School in the amount of \$407,000 whereas \$670,000 had formerly been the line; that the North America had submitted an appraisal in connection with which the values were guaranteed, and finally that in a letter the North America had stated that the appraisal values could not be guaranteed in the event of a loss unless the North America wrote the entire line.

### Valued Contracts

The objecting field men contended that this provided a valued contract in that it gave credit for coinsurance and then, through the guarantee of values, waived the coinsurance requirements.

Rodney D. Wiley, Atlas, proposed that the subject be discussed and John G. McHale, New York Underwriters, led the opposition. The North America was defended by H. D. Collins, special agent of the North America at Decatur. Mr. Collins said the North America had not guaranteed the values in its appraisals. He read a copy of a letter from the school board officials in which they stated that they understood the values in the appraisal submitted would not be guaranteed in case of a loss, and that the estimate was made at their request. Mr. Collins said the North America intends to continue to give its engineering and appraisal service.

Some of the speakers said agents in Peoria have written to their companies about a similar proposal submitted to the Catholic Diocese of Peoria.

## Arnall is Elected Georgia President

(CONTINUED FROM PAGE 5)

ation of stock and mutual companies in the same offices and recommended the installation of a paid association secretary and treasurer on a part time basis.

Mr. Nixon urged improvement in collection systems and the thinning out of agency ranks by a stricter qualification law and consolidation of company "pups" in order to eliminate the greed for more agents.

In discussing "Some Problems Ahead," S. Y. Tupper, southern manager of the Royal, said the insurance system must provide a proper medium through which companies and agents

alike may continue to conduct their business at a profit. The companies have made drastic economies in salaries and expenses and have decreased controllable expense 26 percent since 1929. There is an appalling waste in lost balances marked off and measures must be taken to check this. The insurance system has also suffered from the large underwriting loss and the payment of claims for losses not specified in the policies. Mr. Tupper also discussed mutual competition.

L. C. Quin, Atlanta general agent, and past president of the American Association of Insurance General Agents, discussed general-local agency relations. In discussing the high loss ratio in Georgia, Mr. Quin said over-insurance is almost universal because of the great reduction in cost of building materials and labor. If all interests will cooperate, he said, the fire insurance business can be put on a practically cash basis.

Mr. Quin said general agents favor the establishment of local boards to correct competitive evils. He told of the heavy tax burdens the companies have to bear and asked the agents to help defeat any additional revenue measures which may seek funds from this source.

### Murphy Discusses Collections

E. M. Murphy of the Peoples Finance

& Thrift Co. of Birmingham, in explaining premium financing, said that to many assureds the payment of fire and casualty premiums a year in advance is just as burdensome as it would be to pay the telephone bill for a year in advance. There is much truth, he said, to the theory that good salesmen cannot be collectors and good collectors can't be salesmen. Personality and enthusiasm are required to sell, rather than the firm persuasiveness which it takes to collect.

### Harrison's Paper Read

Commissioner Harrison was unable to attend the meeting. In his paper, which was read, he reported on the National Convention of Insurance Commissioners Chicago meeting. He explained the new definition of marine insurance which is expected to eliminate the friction which formerly existed. He told of the endorsement of the fire companies' action in cutting down on the number of policy forms. The new forms can be made to cover practically all classes of risks, he said, and save on printing and simplify agents' work. In discussing uniformity in handling insurance supervision he said the situation varies in different states and it is difficult to decide what methods are best. He said there is a wide divergence of opinion in interpreting the

commissioners' trust fund resolution in regard to premiums collected.

In discussing valuation of securities, Mr. Harrison said that the commissioners are entirely sympathetic with the companies and are anxious to see them survive the storm.

In addressing the Georgia agents, Alan I. Wolff, chairman of the executive committee of the National Association of Insurance Agents, analyzed many features of the branch office question, citing some of the defenses that have been put forward by companies in behalf of the plan and undertaking to explode these arguments. For instance some company executives say general agents will not spend money properly to service an agency plant. Mr. Wolff said if a general agent builds up a plant for his company in a good territory, the company should be willing to allow him a profit on his work. If the company elects to perform this function with a salaried manager, then the entire expense is paid by it. Why then, he asks, should the company expect a commissioned agent to do the work at his own expense? Mr. Wolff said that this argument is an admission on the part of the companies that no general agent under present acquisition cost rules can live on the over-riding allowed him.

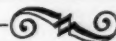
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although branch office operation is expensive, it minimizes credit losses. Mr. Wolff answered with the argument that if general agents are in arrears to a company because of expenses incurred in servicing the business, the company would be no better off than if the business had been handled through a branch office, with its expense.

#### Financial Responsibility

Another argument adduced by companies is that under the general agency system real guarantees of complete performance and of financial responsibility cannot be given. Mr. Wolff said the agents' organization contends that agency appointments should be confined to men of proper qualification and financial responsibility and that when appointed they should then be required to function properly and deliver the complete performance, but to get a living wage.

Mr. Wolff said multiplicity of agents, appointment of unqualified agents, part time and non-policy-writing agents must be laid at the door of company offices, since agency offices have neither the desire nor facilities to do business in this way.

Mr. Wolff said he proposes soon to ask the executive committee to poll each state association as to its will and desire for specific performance in attempting to have the branch office evils corrected. He said a new special committee has been created by the executive committee to work with agents in metropolitan areas who are subject to the heaviest attacks of company competition. It is time for both agents and companies to

come out in the open and show their cards face up, he said.

The principal requirement of any collection routine is that the delinquent accounts come to the attention of the agent at regular intervals and that a definite line of action be decided upon in connection with each account, according to John W. Carswell, president of the Savannah board, who addressed the Georgia agents.

#### Report Executives' Activities

The activities of the executive committee were reported by Chairman George White, Atlanta.

Greetings were extended from the Georgia Field Men's Conference by S. W. Milner. W. E. Harrington's paper on compensation commissions provoked much discussion.

A memorial to the late Garrard Haines of Savannah, a former president, was read by C. F. Powers.

### Virginians Name Izard President

(CONTINUED FROM PAGE 5)

fits accruing from it far outweigh the hardships. Mr. Wilson discussed inland marine competition and commended the action of the National Convention of Insurance Commissioners at Chicago on its settlement of it. The long drawn out hearings on Virginia liability and property damage rates were criticized by Mr. Wilson. He also called attention to the irregularity in placing state insurance.

Secretary-Treasurer Blanton reported

paid membership of 189 and told of the service rendered by his office.

Walter H. Bennett, secretary of the National Association of Insurance Agents, in addressing the Virginia association, spoke in behalf of the idea of requiring loss and premium reserve accounts of fire and casualty companies to be invested in trust funds. This would remove the danger that companies could not be reinsured and would give executives freedom to invest capital and surplus funds according to their best judgment.

The title of Mr. Bennett's address was "Liquid Assets." The agency force is not only among the greatest assets of a company, but is among its most liquid assets, he said. Companies now are looking to the agency forces to provide the funds with which to pay return premiums and losses, investment income now being insufficient.

Mr. Bennett said that the New York insurance department demanded liquidation of the Globe & Rutgers on the ground that its agency organization had little value because the confidence of the public in the company had been lost. Then again, unprecedented efforts were made to rehabilitate the National Surety because to force it into liquidation would be to dissipate its valuable agency plant. In both cases the agency organization was the primary consideration. Companies, he said, should accord to their producing organizations recognition of a value that is inherent, constant and liquid.

#### John D. Saint Talks

John D. Saint, manager North Carolina Association of Insurance Agents, spoke on "The Ties That Bind Association Membership." Greetings from the Fire Insurance Field Club of Virginia were brought by President G. G. Long, Richmond. He said that the mandatory balance may seem drastic to some agents, but the majority have in the past and under present difficult conditions are keeping up their balances within the prescribed limits. The application of the new rule will have no terrors for most agents. He said the enforcement of the new rule will fall largely on the field club and due consideration will be given to local conditions. Although the new rules will not be a complete solution to the situation, if the agents and field men live up to them, they will be much better off.

#### Asks Legislative Help

C. J. Duke, Jr., Portsmouth, chairman legislative committee, reported he had conferred with members of the legislative commission engaged in revising the state insurance laws, with a view of having a better agents' qualification law written into the code and he was hopeful of being successful in that direction.

Superintendent G. A. Bowles substituted for T. W. Ozlin, state corporation commissioner with supervision over insurance matters. Mr. Bowles said the legislative commission appointed to revise and redraft the insurance laws is getting down to work and he urged the agents to name a special committee to cooperate with the commission in its work.

Committee chairmen for the ensuing year were chosen as follows: B. W. Sebrell, Jr., Lawrenceville, executive; C. J. Duke, Jr., Portsmouth, legislative; W. J. Perry, Jr., Staunton, public relations; J. S. McRae, South Boston, conservation; Roger Clarke, Fredericksburg, membership.

Invitations for the 1934 convention received from Roanoke and Virginia Beach were referred to the executive committee for action.

## Small Claims Irk Casualty Officials

(CONTINUED FROM PAGE 21)

reasonable commission costs. When the upswing in the mercantile and manufacturing fields confidently anticipated gets under way in real earnest, company officials predict that soundly managed casualty institutions and their agency representatives will again come into their own.

## Illinois Fire Underwriters Annual Meeting Tumultuous

(CONTINUED FROM PAGE 5)

of England, suggested an inspection of Elgin, where, he said, the loss ratio on nearly all classes has become excessive. Secretary C. G. Wonn submitted his report. R. E. Vernor, manager fire prevention department Western Actuarial Bureau, spoke briefly.

P. J. V. McKian, wielder Illinois Blue Goose, urged Blue Goose membership on the unaffiliated brethren and detailed the merits of Blue Goose group life insurance. He said that in the past three years the Lincoln National Life has paid death claims of \$32,500 on the lives of Illinois pond members.

C. W. Ohlsen, newly elected most loyal gander, said it is his ambition to put the Illinois pond on the high level of interest and usefulness that has been achieved in some other states.

Among the company officials and bureau managers who were present and were called on for a few words of greeting were F. D. Hess, American of Newark; Melvin Le Pitre, Fire Association; H. G. Casper, Eagle Star; C. W. Ohlsen, Sun; T. C. Underwood, America Fore; Earl S. Miller, manager Illinois Audit Bureau; C. W. Soderstrom, manager Illinois Inspection Bureau, and H. M. Greenberg, Western Adjustment.

## Firmer Market for Fire Insurance Is Now Observed

(CONTINUED FROM PAGE 3)

The companies now for three years have been educating their representatives to scale down insurance to value to comport with declining levels. Many assureds have cut their insurance of their own initiative, many of them to the amount of the mortgage, feeling that their equity was gone. Now this process probably must be reversed. Without prompting from the agent, many assureds are likely to keep on renewing their insurance for the same lowered amount. Companies feel that agents should counsel with their clients now at renewal time. Perhaps values in a particular business have not increased and an increase in insurance is therefore not justified but other lines may show a sharp advance and their present insurance be inadequate.

#### Removal Law Suspended

FARGO, N. D., June 28.—The law giving the governor of North Dakota authority to remove workmen's compensation commissioners without cause stands suspended as a result of acceptance of petitions by the secretary of state to refer the measure.

A dividend of 25 cents per share on the common stock of the Excess of New York has been declared.



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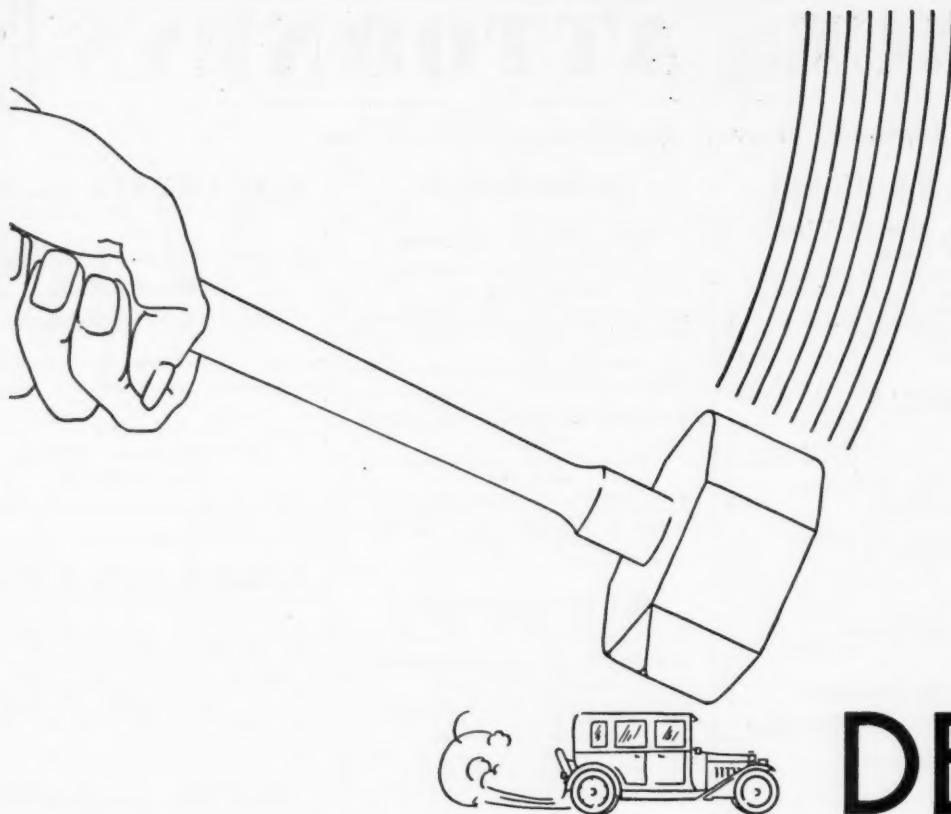
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